

Meeting Minutes

Meeting details

Meeting date: 28/03/2018

Meeting name

Implementation Entity Steering Group (IESG)

Meeting time

10.00 – 13.00

Meeting location

Sydney Suite, Grange Tower Hotel,
45 Prescot Street, London

Scribe

Julie Mitchell

Classification

Public

<i>Name</i>	<i>Role</i>	
Andrea Melville	Lloyds Banking Group	Yes
Andrew Laidlaw	FCA	Yes
Andrew Slough	HSBC	Apologies
Andy Booth	Barclays	Apologies
Anne Macadam	HM Treasury	Yes
Bill Roberts	CMA	Yes
Daniel Ehreich	Bank of Ireland	Yes
Daniel Globerson	Royal Bank of Scotland	Yes
David Baldwin	Head of Programme Management OBIE	Yes
Doina Nicolici	NPSO	Yes
Dora Guzeleva	Payments Systems Regulator	Yes
Ed Colley	Prog Director OBIE	Yes
Faith Reynolds	Customer Representative	Yes
Gavin Littlejohn	Fintech Representative	Yes
Hetal Popat	HSBC	Phone
Ian Major	TPP Representative	Yes
Imran Gulamhuseinwala	OBIE - Chair	Yes
James Whittle	EBA	Yes

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John Hutton	Nationwide	Yes
Kunal Jhanji	OBIE and Oliver Wyman	Yes
Mark Chidley	Consumer Representative	Yes
Mark Mullen	Atom Bank	Phone
Matthew Perks	Nationwide	Yes
Paul Horlock	NPSO	Yes
Phillip Mind	UK Finance	Phone
Richard Lindsay	Comms OBIE	Yes
Richard Rous	Lloyds Banking Group	Yes
Robert White	Santander	Yes
Roy Hutton	Allied Irish Bank	Yes
Stephen Smith	Lloyds	Yes
Thaer Sabri	Electronic Money Association	Yes
Vickie Hassan	Danske Bank	Yes

No. Agenda item

1.a HOUSEKEEPING: MINUTES AND ACTION LOG

- 1.1. **IG** opened the meeting advising the members of a new process; to ensure that main papers are circulated a week in advance, and programme updates will follow a few days later, due to the live nature of the content. Papers will be for clarification questions first and then points of view as the meeting progresses.
- 1.2. **IG** confirmed minutes had been circulated and comments fed back; minutes can now be marked as final.

Action Log:

IESG_2018_301_39	EC to organise a Lessons Learnt session for 5 of the TPPs. Webex format. IG to attend, potentially Gavin Littlejohn, Ian Major and Philip Mind as observers.	Closed
IESG_2018_301_40	As part of #39, Richard to compile a list of FAQs from TPPs following the webex	Open
IESG_2018_301_49	OBIE to develop a plan of how best to share a list of PSD2 insurers that it has engaged with. (Note: OBIE are unable to act as a Financial Advisor)	Closed
IESG_2018_301_50	P6 Delivery: Delivery Discovery Restart note: detailing why we have come so far and why are we not comfortable to move P6 out of discovery, why it needs to stay in discovery. What are the key questions we are seeking to answer and what is an approximate timeline for doing that?	Closed
IESG_2018_301_51	Strawman/Plan on a Page - release schedule for IESG on 28/03, showing critical path to end of Programme.	Closed
IESG_2018_301_52	Realistic Items for August	Closed

IESG_2018_301_53	Ed to have discussion with DE @BOI on how will BOI enter the ecosystem and what controls will be available.	Open
IESG_2018_301_54	Managed Roll Out: extension and Business as Usual sandbox for ecosystem enhanced support EC to think about structure/narrative, enlist RL support for ecosystem through this period. RL to have discussion with media regarding the end of MRO and its proposed extension	Closed
IESG_2018_301_57	KJ to organise discussion with GL / PH and include Bill Suglani to discuss concerns around insurance and liabilities. KJ also to provide IG with details on the deal.	Open
IESG_2018_301_58	JM to obtain latest draft of guidelines from Philip Mind and circulate to IESG members.	Open
IESG_2018_301_59	CM to update submission on P2. RL to assist in structure/drafting. Suggested an extraordinary PAG to review. Paper due 26/2 for IG to review 27/2	Closed

1.3. **GL** advised that on item 57 had not concluded.

1.b PROGRAMME AND MANAGED ROLL-OUT UPDATE

1.4. **GL** advised that after discussions with Simon Waller at OBIE, the funnel diagram needed updating.

ACTION: JM to circulate corrected slides to IESG members. (ACTIONED POST MEETING)

1.5. **GL** advised that he had anticipated more firms in the MRO (Managed Roll Out) phase. After subsequent discussions with **AL** and his colleague David Bloxage, who confirmed it takes approximately 3 – 3.5 months for an application to be processed, there are approximately 17 still to complete. **GL** updated the IESG that there were approximately 50 companies still in the “pending tray” and asked if the FCA would be able to provide the real figures to create the funnel diagram.

1.6. **AL** agreed to consider this matter and then updated the IESG, advising that there were approximately 60 completed applications, 24 of those were either PIS or AIS permissioned and on the register.

1.7. **BR** noted that there were very few PISPS on board. **DG** believed that was based on PSD2; the PISPS need to be reauthorized for their existing payment services, so it takes longer.

1.8. **AL** disagreed, stating that the FCA had not stopped any firm from doing that. **AL** also confirmed that any live market firms would have had to have been authorised by January 2018, and if a company is already an authorised payment services provider, it would need to be reauthorized by the middle of April 2018.

1.9. **GL** asked **EC** if the enrolment figure of 72 include the companies in MRO. **EC** confirmed it was. **GL** went through the numbers again, and asked if it was reasonable to expect to see an increase from 13 to 45 appear in the MRO.

1.10. **AL** advised that in terms of timing, the FCA has up to 12 months to determine each application, and that each submission quality is variable and has its own issues – not always a straight forward process so can take a long time.

1.11. **RH** expressed his concern on the Amber rating and around governance, citing a CMA9 memo to the Trustee, which had not been shared with the IESG. His worries centred on the OBIE repeating mistakes and expecting something different to happen in terms of delivery techniques, the overlay of additional working groups into the workflow which seem to be landing additional overheads. **RH** doesn't think this extra layer will enable a quicker result and was deeply concerned that the window for PSD2 delivery is being delayed by covering “nice to have” outcomes or items that should have been killed at evaluation stage.

- 1.12. **IG** stated that some of the points mentioned are valid for the Plan on a Page discussion; however, with reference to the memo, he has been working closely with the CMA to get a comprehensive response.
- 1.13. **RH** also expressed his concerns around market perception; lack of delivery, timelines slip and take up of TPPS and the other banks in the industry. **RH** advised that **IG** had not informed them if any other banks were joining.
- 1.14. **IG** advised there were three participants very close to announcing; with Clydesdale Bank confirming publicly they were joining OB. **GL** confirmed their start date was May 2018.
- 1.15. **IG** then asked if there were any questions for the CMA9.
- 1.16. **RW** raised a point for noting that the Santander line needed correcting.
- 1.17. **GL** asked Lloyds Banking Group (LBG) if they could provide any more information on the synthetic test between a PISP and a TPP, which they had advised the IESG on at the February meeting. **GL** also asked if any other CMA9 had conducted a similar trial.
- 1.18. **LBG** will have to revert back. **EC** confirmed that the test had been successful.
- 1.19. **GL** also asked the CMA9 if they had successful interactions with their API endpoints with payment initiation. **CA** from Barclays confirmed they had. **HP** asked **EC** if the test was with a live TPP or a bank owned tester. **EC** advised it was a real TPP but using a prototype.
- 1.20. **MP** asked **EC** about Yolt. **EC** advised that with regards to AIS, they have confirmed they are not ready yet or able to start synthetic testing as it would interrupt their roll out, and not in their commercial interest.
- 1.21. **GL** asked if there were any plans for more aggressive testing regarding synthetic testing of PISPs across the CMA9, given there are none. The CMA9 have stated there hasn't been the anticipated throughput of PISPs. There needs to be a plan to prove it and exit from the testing process. There were suggestions in the room that OBIE could act as the PISP in this arena to enable testing; **EC** would need to look at this further before making any decision. **IG** asked what levers the OBIE had to enable this. **EC** advised there weren't any really, other than banks initiating payments with other banks and that most firms want to pursue AIS services first.
- 1.22. **RW** asked if it would be wise to wait for a real app to enter the market. **IG** also suggested that the fall-back would be the CMA9 executing PIS against each other.
- 1.23. **RH** suggested that the CMA9 could do with some goodwill as they are under pressure to deliver and get things over the line.
- 1.24. **GL** responded that he will be attending the FData quarterly members meeting and will encourage any action on PIS. **GL** added that conformance and security profiles are improving although the API surface areas are still a little uneven, but authentication is proving to be an issue. Some of the CMA9 have been slick in their operation however some are giving cause for concern. There is a process in place to provide informal feedback and he would like OBIE to consider the outputs. **GL** stated that he was pleased and supportive of the progress, but it needs standardising.
- 1.25. **IG** referred to **RH** point, and advised that there was no lack of "willing" however a single immediate payment is not very compelling for a PISP in the way it is currently structured. The PISPs have advised they need to see a detailed roadmap that includes other elements.

ACTION: IESG_2018_301_60 - EC to provide options on how to increase the PIS on board. Provide a memo detailing OBIE options and recommendations that lay out pros/cons.

2.a 2018 / 19 PLAN ON A PAGE

- 2.1. **IG** advised that at the last IESG, there was a request for OBIE to develop a strawman for a delivery plan, noting that this is not final or for approval. The plan has been socialised with PMG and it is now for consideration by members of the IESG. **IG** stated that the purpose of the plan was not to re-open scope; but a pragmatic plan to get the scope to market, prioritise work packets (not remove) and if there are any changes to the November plan, these will need approval by the CMA and HMT as a matter of urgency.
- 2.2. **FR** questioned the sequencing on slide six and wanted to understand the headings. **EC** advised that they are items that are currently or scheduled for evaluation. **FR** asked if there was a genuine, open evaluation or were the OBIE just going through the motions to appease stakeholders? **IG** confirmed that was not the case, and that the process is as described at the last IESG; to get the order right and to ensure transparency. **FR** asked about P8 & P5, and building and testing. **IG** replied that there was an agreement in November 2017, however on P5 and P8 there was clearly a gap on interpretation and they have gone back for narrow interpretation and are pending final sign off.
- 2.3. **FR** and **EC** discussed P5 and P8 in a little more depth and questioned the integrity and the position on the slides.
- 2.4. **IG** advised that a TPP should be able to create a Trusted Beneficiary (TB). **FR** advised that she had hoped that it would appear on the customer consent dashboard, as visibility and control is very important factor for the customer. **HP** commented that it was visible from HSBC's perspective. **RR** expressed concern as to whether the customer would understand what they were seeing on the dashboard.
- 2.5. **IG** advised there needs to be more structure. It is critical that the CMA9 make the case to the FCA for RTS exemption. **IG** stated that this exercise distilled the core requirements of PSD2, and a wish for a more vibrant eco-system, which will feed into the API evaluation and then in turn an endorsement for the OB standards.
- 2.6. **IG** asked **EC** to compare/contrast from what was completed in November. **IG** assessed that there were not many changes, other than P5 moved from February to Summer, as Standing Orders and Future Dated Payments needs to be completed. On Confirmation of Funds, the same delay applies; in terms of PSD2 in scope accounts, PIS only; AIS is not affected.
- 2.7. **MP** stated that an important clarification was required on release candidates and specification publishing. Confirming that the dates were release candidates and not publication specification. It cannot be referred to as Roadmap items individually in the development of delivery timelines. **IG** asked **EC** to explain the process behind release candidates. **EC** provided an overview and discussed the slide in detail, stating that the final publication version is scheduled for August.
- 2.8. **GL** expressed concern over the six month release schedule. **IG** reaffirmed that **EC**'s six month plan should be made to work. **AM** suggested there may be a wish to look at how OBIE prioritises things. **EC** agreed but from an industry perspective, OBIE has tried to avoid putting in specifications that need continuous consumption and development by the TPPs who are trying to get to market. **RH** asked if they could be bundled around PSD2. He agreed the plan looked good, however had concerns that some elements were being delivered late.
- 2.9. **HP** advised he attended a round table with non CMA9 ASPSPs and feedback was that, although there is a roadmap that goes beyond PSD2, concern was raised that adopting the OBIE standards as the preferred compliance route may work out to be more expensive and if there is no agreement on the PSD2 items specifically, there is a view that a PSD2 compliant tool kit will not be delivered in time.
- 2.10. **IG** advised that the OBIE standards are not a case of either you implement all or nothing. **IG** stressed it was clear to him that the CMA9 are in a different group from other ASPSPs who want to use the standard to meet their PSD2 requirements. It is the role of the OBIE to ensure standard contains enough for them to achieve this. **IG** added that if the OBIE wish to include additional items, there is no compunction on any ASPSP who is not part of the CMA9, and is not subject to the Order, to use those parts of the standard. As long as it has everything required for PSD2 that should suffice.

- 2.11. **HP** agreed with **IG**, but asked from a practical, developer standard; how would it work? There would be different interpretations. **IG** advised the interpretation around PSD2 will converge on a clear set of functionality, and there may be some interpretation around the margins, which will then be up to the individual firm to take up with the National Competence Authority (NCA).
- 2.12. **DG** suggested it would be helpful to highlight which pieces are designed for PSD2 compliance. **IG** agreed.
- 2.13. **GL** advised he had received a letter from the Commissioner leading PSD2, asking how to incentivise the alignment standards across Europe, adding that he felt things were being reviewed through a short term compliance lens. Between now and September 2019 OBIE should build the best it can and focus on the highest quality output.
- 2.14. **JW** stated that the EBA are aware that setting the bar too high to achieve, can make the API standards too complex. There is a risk of perception of what the UK is doing and he is concerned. The risk is highlighted by the fact that there are different expectations in the market and agreed with **DG** that it should be crystal clear what OBIE expectations around that are. One standard is good, but is not the current reality, and could be quite fragmented.
- 2.15. **FR** reiterated comments she had heard across the room, but stressed that she had not heard what the end goal was for consumers. **FR** asked that the OBIE take a step back and review and look at what delivers well for customers as PSD2 is not delivering a good outcome for anyone. **IG** stated that with regards to RTS, there are not many consumers who are aware of it. PSD2 is not the only law that has to be applied to. The Order is why the OBIE exists and it has use cases that are late on delivery. **IG** stated that the Order also included an obligation to ensure alignment to PSD2 and for OBIE to create the standards to make the banks compliant. **IG** agreed that some areas did need further clarification and is in discussion with the CMA and HMT to understand what those areas look like and wish to conclude sooner rather than later. There is no way OBIE can hit the deadlines and have the discussions; otherwise it will lead to errors.
- 2.16. **BR** advised that as there is more work to do than originally thought, trying to reconfigure the various sub-projects would be courageous but very risky.
- 2.17. **IG** suggested that the intent was to obtain feedback on this paper and asked **EC** to provide an update. **IG** believed there was not a great deal of difference between the November plan.

ACTION: IESG_2018_301_61 EC/DB to provide and update Delta versus Plan, provide greater clarity to PSD2 requirements versus rest of roadmap.

- 2.18. **GL** asked if P5 release four is non-compliant; if release four was issued first? **IG** advised that this was one of the topics that he was seeking clarity on with the CMA and HMT. P5 was originally intended (in the November document) to incorporate everything with variable, recurring payments. **RR** disagreed; in the November document it stated standing orders and future dated payments. **IG** stated the absolute intention was that it refers to variable recurring payments as stipulated by the use cases. **IG** stated that it was essential to clarify what is required for PSD2 and what is required for the Order. Future dated payments and standing orders are the two elements of P5 that **EC** is advising to accelerate, so that the CMA9 can show the evaluation group and the NCA and have sufficient time to implement so they do "tick the box" for PSD2 requirements. **IG** suggested than rather hold up work on P5, it would be logical to continue, whilst carrying on the work on variable recurring payments in the background. This way the CMA9 have something to build against to meet the PSD2 requirements.
- 2.19. **JW** expressed his concern about multiple interpretations from different areas; **FR** advised that she was confused around the role of the evaluation working group and its advisory position. She believed it was the NCA that may or may not have to take into account what the API Evaluation Working Group says, so would it be their responsibility to agree if a firm is compliant or not. **FR** felt that it would be easy to defer decisions to Europe, but could the FCA and HMT advise on what is compliant? **AL** responded, stating there were two elements in RTS exemption and the FCA are working with the EBA to get clear criteria and development around exemption both on a European and domestic level. The API evaluation group is not

clear in terms of EBA and that exemption process. **IG** asked **AL** if the EBA is going to be public in their communications to the NCA, when they state their requirements and timescales. **AL** advised that the EBA are aware of the timing issues and are working hard to make something public as quickly as possible. **IG** asked if pre-June was realistic. **AL** advised the aim would be June/July, but no decision has been taken, so cannot commit the EBA to timelines.

- 2.20. **FR** expressed her concerns about the API Evaluation Working group, and the misunderstanding about the UK build. She is concerned that there is a constituency, heavily dominated by CISPS that operate in Europe, which do not have a UK presence, but also are not representative of UK AISP. There are papers put forward, which are a mixture in terms of quality, and that the group is providing advice. **FR** felt there was no other forum to express this concern. **IG** requested that **JW** take this up off line with **FR**.
- 2.21. **RR** stated in his view that he didn't believe tokenised payments was part of the agreed arrangement. And will take this off line for further discussion. **IG** held the view that variable recurring payments are included.
- 2.22. **EC** referred to items that are on the plan in the "Here and Now", advising there is no time to waste. If anyone has any concerns on what is being undertaken in the next two to three weeks they should make representation directly to **IG** and **EC**. **IG** believed there were not any issues, but encouraged the CMA9 to liaise with their PMG members.
- 2.23. **IM** asked does compliance mean that the standard is implemented as the standard would have been built. The TPPs will want to know if the CMA9 will use it and conform to the standards or not. **IG** advised that it will be in the new document, and referred back to the November document. **IG** had not been advised by the CMA9 that anything had changed since November.

2.b TRANSITION FROM MANAGED ROLL OUT

- 2.24. **IG** asked for clarifications and questions on the Enhanced Support for MRO
- 2.25. **IM** asked a question regarding track four, about directory sandbox, and did this include ASPSP sandboxes as well. **EC** confirmed it would include connections to other ASPSPs as they became available along with UAT integration testing environments when they undertake their testing on Release Two and Three.
- 2.26. **IG** commented that one of the important things in the early stages of MRO was to get the TPPs to sign up to an MOU, is that still working and effective. **EC** advised the MOU has not changed or made any difference to the behaviours of the TPPs. **EC** then explained the process and stated that all TPPs to date wanted to go through this and not necessarily straight to market, although that might change in the future. **EC** expressed his concern that this process could become a barrier in the future. **GL** stated it was not an issue for the TPPs, they want a handholding process as it encourages good behaviour.
- 2.27. **IG** asked if there were any other questions from the room, as there were not, **it was agreed that this was the effective mandate for the OBIE to run the MRO.**
- 2.28. **RW** asked what the extended support for PIS is going to be. Will it stay in MRO? **IG** confirmed that MRO stays open for PISP. **EC** advised that any entry into the ecosystem will have this extended support around to enable them to complete testing and go to market.

ACTION: IESG_2018_301_64 28/03/2018 RL to devise Comms plan for end of MRO, building on operational plan documented by Simon Waller.

ACTION: IESG_2018_301_66 28/03/2018 EC Transition from MRO: write up the MRO proposal into an operational document.

2.d LBG CONFIRMATION OF PAYEE REQUEST

- 2.29. **IG** advised he was switching agenda items 2.c. and 2.d to allow for discussion prior to an IESG member having to leave the meeting early and wanted to ensure all members were able to comment on this submission.
- 2.30. **IG** advised that this was not a CMA/PSD2 requirement, but an additional item and request from Lloyds Banking Group and an opportunity for IESG to opine on, and to ascertain whether the CMA9 were comfortable that the OBIE undertake this request.
- 2.31. **PH** provided an update on the papers and why LBG had put in this formal request. **RH** agreed that this would be useful and a good addition to support the roadmap. **RH** asked for it to be successful, would all banks and building societies need to be part of the infrastructure. **PH** agreed with **RH**, definition needs to be agreed and conversations are taking place with the NPA. The view is that if the UK market adopts this as their route to PSD2 compliance; this gives the best opportunity and will help with the regulatory focus on this matter. **RH** asked does it merely mandate all banks that have an API solution or does any API solution plug into it. Is there a need for a “lite” version for small companies? **PH** reiterated that discussions are taking place with the NPA to get this as a preferred route.
- 2.32. **RW** asked if there was any idea of the requirements that will be put on the OBIE team. **EC** confirmed that OBIE broadly have the resource needed, but if it gets into the level of detail on the NPA programme, a view will be taken on where there is flexibility and what resources are required. It can be scheduled in an appropriate time frame. **IG** asked if the OBIE would need to take on additional headcount. **EC** advised that we would flex internally. **DG** challenged this by saying that he would want to see this item ring-fenced. **IG** advised that if a few extra bodies were required to make it work, then that is the route the OBIE would take.
- 2.33. **RW** asked if a note could be circulated to the IESG on the design and resource requirements.
- ACTION: IESG_2018_301_62 RL to draft letter from Trustee to CMA9 confirming intention to build Confirmation of Payee. Letter to include/or be sent with initial analysis of resource requirements and design.**
- 2.34. **GL** asked if this would be added to the risk register. **IG** confirmed it would and on the Plan on a Page.
- 2.35. **IG** stated that there was **Agreement in Principle** to do it as outlined in the paper.

2.c DELIVERY PROCESS AND GOVERNANCE

- 2.36. **IG** advised that this submission was related to the governance process for delivery. This paper is looking to create a version for delivery items, as transparent as possible, clear stages and representation at all levels. The document has been socialised with PMG and earlier versions with PAG and their input has been included in this version. This is now the proposed adopted process for governance and delivery.
- 2.37. **AM** asked how this relates to the timetable that has just been discussed, and is the OBIE sure that the governance process can deliver the timetable set out. Is there something to confirm? **EC** confirmed it does and the constraints OBIE are imposing, the restrictive timelines and volume of artefacts that need to come through, drives this. Mobilising is the key factor and clearly that needs to be agreed and start next week.
- 2.38. **RH** expressed concerns about multiple streams of work going on. One issue that he is struggling with, is at each stage, there are multiple versions of the same document, so internally it is very difficult to manage the different steps and work coming out.
- 2.39. **FR** on the main liked the principle, but felt the volume of paperwork makes it difficult. There needs to be a balance on transparency versus moving the analysis at pace to enable deliver. The gateways are helpful, but rather than proceed with a formal feedback process, would be to have the working groups, take

feedback verbally and then create one document, which will be the final version to present to the Trustee. **IG** agreed this was a reasonable request. **MC** stated there needs to be meaningful representation and version control.

- 2.40.** **VH** stated that the document did not show who was feeding into what? **IG** advised there was a request from the CMA9, to provide a high level of governance flow on one page. OBIE is working to that. **EC** did not want to set any expectations about group flows as it doesn't work like that. **VH** stated that OBIE should get to that point at some stage, as it cannot work if you have the same people providing the same information to multiple groups. **EC** agreed.
- 2.41.** **GL** stated he believed that it was a good thing to have multi discipline teams focussing on the outcomes, but there are far too many levels, and OBIE should collapse the lower levels of the triangle.
- 2.42.** **IG** advised there is a broad set of process and principles and OBIE should rationalise further, the "so what's" from that can be fed back to the group.
- 2.43.** **CA** believed the principles were right, but felt an effective body, like PMG, should be broadened with TPPs and consumer representation. **IM** asked if she meant to deliver the programme or management group **CA** clarified that to have full stakeholder representation across the group, it needs to be viewed through two lenses – pragmatically and strategically.
- 2.44.** **IG** advised that PMG should be looking at the delivery of work provided to it; the members are people who can dedicate their time to running a programme and maybe they should be focused on programme management and getting some of the policy type discussion out of PMG into the broader arena. **CA** feels that the PMG is a closed door meeting and the CMA9 are not one group and they all have different views. **RH** stated that if there is one rep for the banks, he feels exposed. **EC** advised that was not the proposal.
- 2.45.** **KJ** advised that there are different bodies and groups that enable every CMA9 to provide their view on a range of topics.
- 2.46.** **FR** advised that she is also trying to get other consumer representatives incentivised to join and noted that the challenge with working groups is that "we" are there to represent a broader group, and because of this additional work is required, which causes an increase in workload. Perhaps if it were possible to collapse some of the processes, so there is only one major point of conversation, it should make it more transparent and enable on-going dialogue and more time for providing feedback to the meeting.
- 2.47.** **MP** stated that he was concerned about the number of forums, which makes it very difficult to provide active and quick reactions and response and take a holistic view, especially in terms of delivery.
- 2.48.** **TS** raised a question around working groups, that are currently meeting twice a week, and is that frequency necessary along with the governance process around IESG post the CMA order. **IG** advised that it would be included when the team review the submission and rationalise the governance further and could possibly go on the agenda for the next IESG meeting.

ACTION: IESG_2018_301_63 28/03/2018 - KJ to produce document which rationalises governance that takes in to account the views expressed at IESG and what the proposed changes are. There should be a cover note to the amended document which identifies what has changed. Should also re-state the purpose of PMG.

2.e P2 UPDATE

- 2.49.** **IG** provided an update on the P2 submission and the paper delivered at the February meeting. A new proposal has been circulated. **IG** asked if there was a broad consensus around the recommendation made regarding polling versus real time and the idea to eventually provide standards for both and that polling is mandated and real time is voluntary for the ASPSPs.

2.50. **GL** asked if the OBIE were going to build both and would it be mandatory for the CMA9 to implement both. **IG** advised that polling would be mandatory and real time would be voluntary. **GL** and **RR** were not in favour of the recommendation.

2.51. **RR** recalled previous discussions which stated that a TPP must always be able to contact the customer, in the moment. That use case is only supported by real time. **RR found it odd that the OBIE was now looking at mandating polling which doesn't meet the customer need, or at requiring two sets of infrastructure at additional expense**

~~**2.51.** **RR** stated that he found it odd that the OBIE were now looking at doing the polling or both.~~
~~**2.52.**~~

~~**2.53-2.52.**~~ **IG** stated that he believed the argument for doing it this way was that if a TPP infrastructure was down or they hadn't built the ability to work in real time, there was no fall back.

~~**2.54-2.53.**~~ **DG** asked **GL** if he wanted both. **GL** advised he preferred real time, over polling but if there is both, the TPP can make a choice. **GL** then advised he thought **IG** had inferred that it would be the CMA9's decision to implement one or both. **IG** clarified that it would be up to the CMA9 to implement real time.

~~**2.55-2.54.**~~ **RR** stated that the CMA9 were being told to do polling and being given the opportunity to do real time. **RR** believes that this is a half-way house option and doesn't meet the customer's needs. **GL** advised that the best option for a TPP was both and then they can choose which to use. The next best option is that the TPPs only support real time. Having some banks deliver polling and some real time is the worst option and is not something the TPP market supports.

~~**2.56-2.55.**~~ **GL** asked if this is the standard, then all banks that join the OB standard will have to do polling as opposed to real time. **DG** disagreed, that if someone takes on the OBIE standards for PSD2 compliance, this has nothing to do with it.

~~**2.57-2.56.**~~ **IG** asked if any of the CMA9 held a similar view: real time mandatory, polling voluntary. The paper contained the OBIE recommendation and **IG** now looked for a consensus. Some in the room were not ready to commit to a decision.

~~**2.58-2.57.**~~ **IM** and **DG** expressed a number of concerns around the integration for real time and the input required by the TPPs and its impact or effect on the customer experience. The least line of resistance for everyone to get the right status update is going to be a form of polling.

~~**2.59-2.58.**~~ **IG** asked **IM** if he was more in agreement with the OBIE recommendation. **IM** confirmed he was, although ideally if both were available it would be better. **IG** stated that it was important to make a final decision.

~~**2.60-2.59.**~~ **FR** advised that consumers want to see things in real time and have the reassurance that things are working. **IG** wanted to obtain a rough idea as to where the views were on P2 and asked for a show of hands. On the two proposals i.e. GL's and OBIE's **there was no consensus**.

~~**2.61-2.60.**~~ **CA** felt there was a lot of confusion around this and would like to take time before settling on a final decision. **IG** reaffirmed that he was not forcing a vote on the item, just trying to establish that there was still no consensus.

~~**2.62-2.61.**~~ **MP** asked that if the polling option is not going to be mandated, would it be worthwhile holding off entirely, given that OBIE doesn't want lots of options. **IG** suggested taking a step back and to look at this again, and the process around it.

~~**2.63-2.62.**~~ **RW** asked if there was a consensus that both polling and real time are valid options. Should both be mandatory? This has been going round and he supported the need for both being mandatory, so consensus is not far off.

ACTION: IESG_2018_301_65 28/03/2018 KJ & CA to liaise regarding, gathering views and forging consensus around P2. KJ to report back with a view to restating the proposition.

2.g EUROPEAN UPDATE

~~2.64-2.63.~~ **JW** provided an update and an overview on what the EBA are doing and the role in the marketplace. He also advised that recent discussions on Hot Topics included “redirection”. Stating it’s an evolutionary journey and needs to be clear on market approach when RTS is applied. The Commission’s view is the term “may” in RTS, when referring to barriers; and redirection is one, they would refer to it that it could be a barrier, and therefore “they have no issue with redirection, it is down to how it is implemented”. It has to be viewed from two perspectives one from the customer and the other that it can’t restrict the innovative state of the TPP. That will be minuted and those minutes will be available publicly.

~~2.65-2.64.~~ **JW** then turned to the matter regarding exemption; and provided the EBA view on this, which and the EBA preference is decoupled, which is a subset of redirection. This does need clarifying and **JW** will provide further detail on this and let the IESG know.

~~2.66-2.65.~~ **FR** asked what the incentive was for companies to build more than just the bare minimum to be compliant. **DG** agreed, stating that to many firms this is an expensive process and would only make a few minor amendments to their screens scraping capabilities. **FR** asked who funds this, and believed it was the consumer. The language in PSD2 is very tricky.

~~2.67.~~ **GL** provided a final update to the IESG that OB working groups have been published in the US, Canada, along with discussions with Brazil and Malaya. There have also been meetings with India and Singapore, who are all looking to the UK for a benchmark. Australia has already published. Further details can be obtained from **GL** directly.

IG Closed the Meeting.