

Meeting Minutes

IESG Meeting details

Meeting date: 28/11/2018

Meeting name

Implementation Entity Steering Group (IESG)

Meeting time

10.00 – 13.00

Meeting location

Etc Venues, 8 Eastcheap, London EC1M 1AE

Scribe

Julie Mitchell

Classification

Public

<i>Name</i>		<i>Role</i>	
Alan Ainsworth	AA	OBIE – Head of Policy	Yes
Andrew Laidlaw	AL	FCA	Yes
Bill Roberts	BR	CMA	Yes
Candy Ma	CMa	OBIE – Office of Trustee	Yes
Caroline Ambrose	CA	Barclays Bank	Yes
Chris Michael	CM	OBIE – Technical Delivery	Yes
Daniel Ehreich	DE	Bank of Ireland	Phone
Daniel Globerson	DG	Royal Bank of Scotland	Yes
Daniel Jenkinson	DJ	Senior Manager for Consumer /SME representatives	Yes
Ed Colley	EC	OBIE - Prog Director	Yes
Faith Reynolds	FR	Independent Consumer Representative	Phone
Gavin Littlejohn	GA	Fintech Representative	Yes
Hetal Popat	HP	HSBC	Yes
Ian Cox	IC	OBIE - Head of Monitoring	Yes
Ian Major	IM	TPP Representative	Yes
Imran Gulamhuseinwala	IG	OBIE – Trustee/Chair	Yes
John Hutton	JH	Nationwide	Phone
Julie Mitchell	JM	OBIE - Secretariat	Yes

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Laura Mountford	LM	HM Treasury	Yes
Mark Chidley	MCH	Independent SME Representative	Yes
Mark Mullen	MM	Atom Bank	Phone
Paul Horlock	PH	NPSO	Apologies
Phillip Mind	PM	UK Finance	Yes
Richard Rous	RR	Lloyds Banking Group	Yes
Robert White	RW	Santander	Yes
Roy Hutton	RH	Allied Irish Bank	Yes
Ruth Mitchell	RM	Electronic Money Association	Phone
Vickie Hassan	VH	Danske Bank	Yes
Will Curley	WC	Tesco Bank	Yes

No. Agenda item

1.A MINUTES

- 1.1. **IG** opened the meeting and proceeded to review the housekeeping items; advising that Will Curley (**WC**) of Tesco Bank would be joining the meeting; **WC** was responsible for the PSD2 implementation at Tesco and were one of the non CMA9 ASPSPs who had sought to join Open Banking with a view to implementing the standards.
- 1.2. **IG** advised that there would be an additional item on the agenda: the CMA9 have been working on a proposal in the form of a letter, where they are laying out what they feel constitutes success in 2019. **RR** will provide an overview of the letter in AOB and will also include a discussion around Version 4 scope. **IG** added that under AOB, **PM** has requested IESG discuss Confirmation of Payee Consultation, a consultation that closes in January. The lead question is what input should OBIE have into the overall process. **GL** advised that he would discuss an item during 2.g relating to a meeting in Brussels on 29th November.
- 1.3. **IG** asked if there were any final comments on the minutes from 24th October. **AA** advised he had some further comments on the Variable Recurring Payments piece : OBIE to consult on the design, but it needs to be clear that the item is being consulted on now, but any standard would not be published until September, the other thing mentioned is around the FCA sandbox and the idea that OBIE could do something using the FCA's regulatory sandbox, which they have encouraged us to do. To test the concept for Variable Recurring Payments. **IG** approved the October minutes.

ACTION: IESG_2018_301_134 - JM & AA to follow up on October Minutes post IESG.

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OPEN BANKING

1.B ACTION LOG

Action Number	Date Raised	Description	Notes	Target Date	Status
IESG_2018_301_103	19/07/2018	Overarching Strategy: IG to have discussion with FR in monitoring function and PAG. IESG to send suggestions directly to IG/FR on overarching strategy.	<p>Update 29/08 matter for future IESG; paper has been prepared for future IESG. Item rolled to 24 October IESG</p> <p>Update 26/11: Item to be rolled to December IESG. JM to follow up with FR and IG to close this action.</p> <p>IESG Update: partial progress has been made; full update rolled to January IESG. Action will need further work and develop a suite of further activity</p>	06/09/2018 26/09/2018 24/10/2018 28/11/2018 19/12/2018 31/01/2019	Open
IESG_2018_301_106	19/07/2018	<p>CR for Transaction ID's: document update, requires a more practical solution and consolidated at MG and TDA.</p> <p>Action from 24/10: OBIE firm up the recommendation, include some timings and get some nuance language around one to three, versus four. To be circulated prior to November IESG.</p>	<p>Update 13/11: CM to provide recommendation to the Trustee in the form of a short letter agreeing the way forward; firm up the language and include timeframe required.</p> <p>Update 22/11: Letter circulated to CMA9 and copy included in November IESG pack.</p>	06/09/2018 24/10/2018 28/11/2018	Closed
IESG_2018_301_120	06/09/2018	Brexit Update: AA to look at paper on Brexit in October IESG.	<p>Update 17/09: Item rolled to 24 October IESG. AA will provide a verbal update</p> <p>Update 22/11: Item rolled to January IESG.</p>	24/10/2018 28/11/2018 19/12/2018 31/01/2019	Open

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Action Number	Date Raised	Description	Notes	Target Date	Status
IESG_2018_301_127	24/10/2018	Copyright: GL advised that item was not closed. IG requested to bring back to November IESG.	Update 13/11: AA advised matter not ready for update for November IESG. Item to roll to January IESG.	19/12/2018 31/01/2019	Open
IESG_2018_301_128	24/10/2018	MI: CMA9 operating as a TPP figures now to be included in TPP funnel as part of programme update paper, as well as identify the names.	Update 13/11: updated slides included in November IESG pack.	28/11/2018	Closed
IESG_2018_301_129	24/10/2018	Yolt: CM to liaise with Yolt re customer adoption and the ability to make this information public.	Update 23/11: CM reached out to Yolt who advised they do not wish to make the information public	28/11/2018	Closed
IESG_2018_301_130	24/10/2018	CMA9: OBIE to explore with the ASPSP side on how to get to the customer numbers piece and work through what it means to try and pull all that information together.	Update 22/11: CM advised that Barclays sent an email to CMA9 in October to request this information. IG has also sent a reminder as this November data is required for December Reporting. Item now allocated from CM to IC (Ian Cox - Monitoring). IESG Update: Item will be addressed in AOB	28/11/2018	Closed
IESG_2018_301_131	24/10/2018	Consumer Metrics: IG to discuss with CMA prior to November IESG.	Update 22/11: IG advised update is intended to be a follow up on the technical definition of PSU's for reporting purposes (ie MI), covering - duplicate users, active users etc. Verbal update at November IESG.	28/11/2018	Closed
IESG_2018_301_132	24/10/2018	Calls by End Point: Discovery required for obtaining customer numbers, CM to liaise with CMA and Ian Cox. Aim for inclusion in November IESG pack to discuss and agree to publish in the public domain.	Update 13/11: Slide included in November IESG pack	28/11/2018	Closed

1.C PROGRAMME UPDATE

1.c.iii OBIE/CMA9 Update

- 1.4. **IG** advised the programme was amber, trending red on Release 4. **EC** stated that the RAG was consistent with the other ambers, relating to P5B and will remain that way until an agreed approach is reached with the FCA sandbox.
- 1.5. **GL** asked if there was an issue with 3.1 not having Personal Identifiable Data (PDI) as mandatory; it is a requirement for exemption and needs sorting out quickly. **IG** was not aware that it was an explicit exemption requirement. **GL** offered to forward the FCA letter that explained this.
- 1.6. **AL** advised that the FCA had forwarded the text on the approach document; with wording firmed up once EBA opinion is out and the FCA policy statement is published in December. **GL** was concerned about a potential situation where the CMA9 progress towards an intention of exemption in March and this piece is missing - GL's community will be arguing forcefully that they don't get it.
- 1.7. **IG** added that from a programme perspective, OBIE should wait until a definitive steer from the regulators has been received on this particular point. He added that the standard allows for a named account holder. **CM** advised that was correct and it was marked as conditional i.e. if it is required for a regulatory reason then its mandatory. **IG** didn't see this as a risk, because the standard already allows for it. If the CMA9 get clarification from the EBA and the FCA, can they actually populate the field, if it becomes mandatory.
- 1.8. **GL** reiterated that if anyone seeks to get exemption without delivering this, they will have a furious fight on their hands, because it is non-functional without it.
- 1.9. **HP** believes that from a cross bank point of view this requirement has been fully met, the technical specification has been delivered and marked as conditional which aligns to wherever the final regulatory guidance goes. It is then up to each institution to apply it if it comes into scope for PSD2.
- 1.10. **JH** at Nationwide agreed with **HP** point. **RR** advised that LBG were operationally in the same place and would like to have further discussions with **GL** on this matter.
- 1.11. **RW** requested this item was tracked. **IG** agreed and suggested PMG cover this. **RW** agreed it needs to follow the correct governance procedure and believed it was more of a PSD2 piece.
- 1.12. **AL** stated this was not something that had been called out explicitly, in words, in the legislation. And there had been a lot of feedback in the market about the problems that could arise if this is not made available. **AL** confirmed that once clarification comes from the EBA, the FCA will put something in their final guidance in December.
- 1.13. **IG** observed that OBIE has done all it can from a programme management point of view, to mitigate against the risk. **EC** added that any final guidance that comes from the FCA/EBA that differs from what is currently known will require a change of standard. **IG** stated that by the December IESG, the FCA and EBA guidelines should be published which will then enable OBIE to take stock of the regulatory requirements.

- 1.14. **FR** asked what next year looks like in terms of roadmap and what the approach is, is OBIE going to continue with the same for Release 4. What about the Commercial APIs? **IG** responded that this should be addressed later in this meeting; when the CMA9 are going to provide their point of view. Regulators need to provide certainty.
- 1.15. **IG** asked if there were any questions on the CMA9 rag status, and was pleased that RBS were now in a position to go green for Release 3. **IG** advised that he was comfortable with the progress the bilaterals were making.
- 1.16. **CA** stated there was a sense of worry and concern around Release 3, and it would be up to the group to collectively support and steer the ship so the CMA9 do not put in any significant changes for March. **RR** added there was nervousness even if there were no further changes.
- 1.17. **GL** asked about the transparency of RJID, he believed the market had no idea what it is going to get, nor is there an understanding of how this is going to play out. **IG** advised that RJID is consistent with elements of the Customer Experience Guidelines (CEG), in terms of transparency it could be helpful to do a short summary covering the typical OBIE initiatives under the RJID, not on a bank by bank basis. **HP** asked **GL** for more clarification on what the market needed. **GL** advised that there haven't been material, visible changes from any of the CMA9 from January, in terms of the delivery; in particular the customer interface issues.
- 1.18. **IC** advised that the monitoring team would look at improvements which covered RJID.
- 1.19. **GL** felt that for items that were March/January dated, the point of RJID is completely missing; the idea was to get some immediate improvements ,if they are going to have to change the interface for CEG, it's been a complete wasted effort. **IC** disagreed.
- 1.20. **RR** observed that there were two rounds of RJID; the first in May, generating recommendations from customer research feedback, which LBG will be doing in December. The other element was things that came out of CEG consultation in August. **RR** added that LBG were being transparent, they were not keeping anything from GL's members and would welcome bilateral engagement. **GL** expressed his concern around the different dates for RJID. **CA** added that the CMA9 have different dates, e.g. Barclays is January, but they are pulling some items forward and delivering early and she has a weekly session with GL's members with the aim of full transparency.
- 1.21. **IG** stated that he would prefer this to be done on a bilateral basis and the RJID was not intended to be a plaster, it was intended to bring forward some quick wins, that would otherwise be delivered in March, support adoption instead of waiting until March. **IG** advised that the bilaterals were done on a confidential basis; however he did not believe there was anything contentious and if the CMA9 are able to share with GL it would be a good thing.
- 1.22. **FR** asked if any work was being done to look at the risk to existing TPPs, who would be switching from screen scraping to API in 2019. Could there be a risk to their business, and a risk to consumers not being able to get the services they are looking for. Who picks up the risk and how is it addressed and analysed. **IG** advised that in relation to Payment Accounts, PSD2 is trying to mitigate the risk. OBIE is doing quite a few things to support the exemption process: the checklist across Operational Guidelines, CEG and conformance tools and technical APIs. Plus the certification process. All of these will try to reduce the friction around the entire process. **EC** advised that in addition MCLA

runs through 2019 and supports individual banks joining the ecosystem, banks upgrading API end points and TPPs joining and moving between versions.

- 1.23. **IG** advised that once regulatory requirement certainty comes through, it would be helpful to take stock of where the TPPs are, which could be by way of a survey via the stakeholder leads. **FR** wasn't clear on how fearful people were of not getting their exemption and is it possible to get an exemption and for it to still be difficult for TPPs in September 2019. **IG** advised this was something to be addressed at a later date.
- 1.24. **AL** advised that the exemption process is not necessarily there to fix all of the problems, it's never going to be a cast iron guarantee of everything, which is why there is on-going supervision; the exemption process looks to firms to provide evidence that they have tested, sought TPP feedback and they have been working to resolve issues.
- 1.25. **GL** advised that from a TPP perspective, they would be happy if all of the CMA9 get an exemption based on the items that are in the Operational Guidelines, the SIR and the CEG.

1.c.ii TPP Funnel

- 1.26. **IG** identified a few key figures in the TPP funnel:
 - 1.26.1.1.1. 12 TPPs in production/offerings
 - 1.26.1.1.2. 32 prototyping
 - 1.26.1.1.3. PISPS prototyping has increased.

This was in line with expectations at programme level and he anticipated the trend will continue upwards. There are two non CMA9 ASPSPs working on implementing the standards. At present OBIE are unable to confirm and would need to seek their permission. **IG** asked **WC** that the inference was it was Tesco Bank. **WC** advised that not as of yet. **GL** felt it was difficult for a TPP to build against an interface when they don't know it's there and was frustrated by the secrecy. **IG** stated that in future the non CMA9 would be asked if their name could be shared at IESG.

1.c.iii API KPIs

- 1.27. **IG** advised IESG that this version shows the website uploads (Part A) and Part B IESG level only, for October.
- 1.28. **DG** advised that there was a problem with reporting and the contribution numbers from RBS Group. It showed there were some availability issues which he doesn't believe they have. **IG** believed there was a challenge process before the numbers get to the reporting stage. **DG** agreed and advised they were looking to resolve this quickly. **EC** confirmed the challenge process did conclude and suggested **DG** take this discussion off line. **IG** wants to ensure that the numbers are robust and reliable, and confirmed that the numbers are volume weighted. **RW** asked if the average API availability was averaged across transactions rather than institutions. **EC** stated its institutions. **DG** requested this should be addressed, as it could be a bit misleading for TPPs.

ACTION IESG_2018_301_138: EC – Recirculate October MI. Document outlining revised availability figures, these amendments were agreed in conjunction with affected CMA9 members as part of OBIE's internal QA process. The revised figures show an overall October availability of 98.2% (up from 97.2%, as originally reported) and have been reflected on the Open Banking website.

- 1.29. **IG** asked IESG that if they had a particular view on KPIs to be volume weighted or otherwise to approach **EC**.
- 1.30. **GL** advised that he and **IC** were hosting a session later in the afternoon with TPPs to look at the metrics and work out if the published numbers are disguised in any way, adding that anyone was welcome to attend.
- 1.31. **IM** asked why they were not volume weighted. **EC** stated it was just a simple availability number, it could be volume weighted and suggested that as more detailed reporting emerges in December, it can be picked up then.
- 1.32. **RR** observed that one of the purposes of publishing the brand is that it makes it harder for underperformers to hide in the average.
- 1.33. **IG** finalised this agenda point, by encouraging the IESG to continue logging their issues via Jira, as the MI in the submission showed that it was working well. **EC** highlighted that on page 43-44, there was an on-going improvement trend from the CMA9 since June when the performance problems were identified.
- 1.34. **RW** questioned the chart relating to the number of API calls per institution and whether that should be published in the public arena. **IG** clarified exactly what was going on the website and what was for internal use only and the instructions received from the CMA.
- 1.35. **GL** stressed it was important to understand real customer interaction in relation to the API calls. **CM** advised that to measure exactly what is going on, (slide 43) you need volumes as well as response times.
- 1.36. **IG** said there was time to identify the areas where more granularity and insight is needed, however it would be good to get some stability and credibility around the current items and requested the CMA9 play an active role in this.
- 1.37. **CM** advised that the TPPs had asked for the third time that this information be made available. **IG** added that he would see what the feedback is from the IC/GL session.
- 1.38. **IG** stated that as there were no objections Part A was taken as approved and will be published on the website.

2.A/B VERSION 3.1 AND CONFIRMATION OF FUNDS FOR PISP (P6B) FOR RECOMMENDATION

- 2.1. **IG** advised that there are a number of items that needed changing in V.3.1 standards. Two items need to be implemented by March and are optional by the implementation date.
 - 2.1.1. Technical Fixes: these are important for good functionality of the March release.
 - 2.1.2. Regulatory clarification around Confirmation of Funds, this is not specifically highlighted within the roadmap, the slot for CBPII Confirmation of Payment was also March, which is why the team have gone for implementation in March.
- 2.2. **IG** advised there was no reason why the technical fixes could not be implementable by 13th March and asked the view of the CMA9. **CA** advised that Barclays were comfortable with the timescale. **HP** wanted clarification that this did not include directory integration changes for EIDAS. **CM** advised

this was correct, EIDAS was separate. **HP** agreed on that basis HSBC were comfortable. **RH** asked if the EIDAS changes were locked down. **CM** advised they were not and there is an extraordinary session of TDA on 29th November to look at the technical elements and the ecosystem timing change. **RH** believed that this would be the last opportunity for it to be signed off, otherwise there will be a struggle to make the changes. **CA** added that at PMG there was a consensus that two things were needed for EIDAS a) September: need to work quickly otherwise it impacts the current ecosystem b) more changes for March will break everyone's implementation for something that is needed, but not a must from all ecosystem participants. The PMG commitment was to identify the right landing path, and the direction of travel was to aim for completion by September, but not necessarily make physical changes for March. That was welcomed by the CMA9 and supported by the TPP community. **AL** asked what was going to be available in March in terms of testing. **CM** confirmed that OBIE would be looking to support in parallel the OBIE and EIDAS certificates. The question is at what stage is the complete transition over to EIDAS and EIDAS like certificates and when the support for the current structure stops.

- 2.3. **GL** advised that there was also a requirement for a Plan B, when the API Evaluation Groups respond. Some of these will be adopted by the EBA as requirements and some won't be, but between now and the end of the year there is going to be changes to the required scope. **CM** advised that this discussion on Version 3.1 isn't related to either API Evaluation Group changes, nor the EIDAS changes.
- 2.4. **RR** added that the LBG perspective on EIDAS is that parallel running, March to September is fine; it would be premature to commit to a hard-switch across in September. **RR** confirmed that he had recently had a discussion with Account Technologies who are of the opinion that switching across to a full interpretation of EIDAS would be premature and a mistake, LBG's view (under advice) is that, the way it is written in legislation is not as black and white as thought and needs further discussion with FCA.
- 2.5. **AL** stated that until there is credible alternative, interpretation that can be justified legally, it is pretty clear what the requirements are around the EIDAS.
- 2.6. **GL** advised the following observations at a European level: i) European TPPs are pushing hard for EIDAS ii) they are also pushing for embedded pass through which most CMA9 are quite keen to avoid iii) they have missed the requirement for a conforming security profile.
- 2.7. **IG** stated he wanted to finalise the Version 3.1. In terms of the technical fixes; in principle there is broad agreement, subject to very clear clarifications on what the 22 known issues are and is something that could and should be implemented by March.
- 2.8. **IG** added that the Confirmation of Funds for PISPs was a change request received from HSBC and the timing of the implementation was something that he has received a lot of input across the CMA9 that it should sit in the discretionary bucket as long as it is implemented by September. **HP** advised that HSBC viewed it in exactly the same way as the Personal Data request, the technical requirement needs to be built by OBIE, ready for their expectation that it becomes a legal requirement, but until that opinion is firmed up, it remains an optional requirement as far as March is concerned.
- 2.9. **IG** expressed his sensitivity to the implementation window that the CMA9 have when OBIE come up with a standard and is already in that six month window. **IG** proposed that whilst OBIE maintains that as a standard in Version 3.1, it is also put into the implementation as a date, back stopped, subject to final review of the EBA opinion; it would be an implementation for the RTS deadline of September.

HP suggested that if it was marked as a conditional requirement, once PSD2 has been clarified, HSBC would implement in line with their exemption processes.

- 2.10. **DG** asked if there was still a risk on Confirmation of Funds as there are different interpretations and there will be variability on what it looks like across not only the CMA9 but anyone/everyone that is part of PSD2.
- 2.11. **IG** advised that these are sensible issues to raise and have to be in the September bucket but wait to see what the final EBA opinion is. **AL** added that the EBA will make it pretty clear and wondered why it is conditional. **RH** asked for further clarity. **AL** believed it was quite clear that Confirmation of Funds needed to be available to the PISP. **HP** added that until final guidance is received, it should not be a March requirement under the Order, HSBC are keen to have clarity around what they are legally required to do under the Order, not PSD2, for March; whilst PSD2 regulatory position firms up over the next two weeks. **HP** advised that implementation is already well underway for March and having continued uncertainty is unhelpful, it is not reasonable to put institutions in the position when they don't know what they are supposed to be building, then come 1st March can suddenly find they are not compliant with the law, with two weeks' notice. **RR** believed that nobody was pushing back and agreed with **HP** to declare now that something has to be done for March is just not going to happen.
- 2.12. **IG** stated that the discussion was around the Order, mandating that the CMA9 implement something that is in draft form and going to be in PSD2, adding that clarification is due in the next few weeks. There is a spec ready and OBIE have worked on the basis of a six month window; however there may be a situation, depending on what the EBA say, whereby this needs revisiting as a policy point. **IG** believed that on Confirmation of Funds for PISP it is likely to be required by September or earlier for an exemption, the Order should not be mandating that this be done for the 13th March.
- 2.13. **AL** added that what is in the Opinion was not going to change. He didn't think the final EBA guidelines were going to provide any further clarity on this point.
- 2.14. **RW** asked **AL** when he expected to have it included, March or September. **AL** stated that he would have thought it would be available for testing by March. **HP** stated that the CMA9 were not talking about the test, what is required for full production and that lessons learnt from Release 1, was that there were poor quality products for customers because things were rushed to implement. If the CMA9 rush things through now, it will make things worse and the "9" will not be thanked for it so there is a requirement to be considered and find a pragmatic way to ensure things are done properly.
- 2.15. **IG** finalised the discussion and noted that from an Order point of view, the six month implementation window is an important construct and if this is something from a PSD2 or FCA point of view it needs to come in earlier as part of the exemption activities; then discussions need to take place with the FCA directly. **IG** added that for the moment as far as the Order goes, this actually does end up being discretionary, but if its September or earlier he needs clarification from the FCA.
- 2.16. **IG** asked **CM** when the specs for Version 3.1 would be published. **CM** advised that is what the team were seeking - approval to publish the final of Version 3.1, and clarified **IG's** proposal – implementation date for Confirmation of Funds for PISP under the CMA Order is by September, but TBC because it may be required earlier and there is a need to have a conversation around this. It is not 13th March. **RH** believed it was publish it now, available in sandbox in March, implement it between March and September in line with banks own submissions for exemption. **IG** advised that from the Order perspective the most important thing was the six month window and this will need revisiting once the EBA final guidelines are published.

- 2.17. **VH** asked when IG would expect his views to change from today in terms of adhering to the six month piece to get the standard in. If during the conversations with the FCA and there is a change of view, will the CMA9 have to wait until the next IESG or will there be something before that. **IG** stated that to give sufficient clarity, it maybe by the next IESG but would not commit to that; conversations will take place asap, but it might be that OBIE need to wait until final guidance comes from Europe and then circulate a memo on Confirmation of Funds for PISP, which won't be imminently, clarifying this and believed that the six month period would start from when the memo is sent.
- 2.18. **GL** believed that this needs to be mandatory with a later timetable, rather than discretionary because its not practical to build it now, it needs to be done as soon as it can be done and it would be nice to get some consistency from the Trustee's office of when it is going to be delivered and on what date, but it obvious that it won't be March. **HP** stated that OBIE should avoid a series of complicated releases, and would strongly ask IESG to maintain the existing cadence that is within the roadmap of March/September. **IG** agreed this was an important consideration.
- 2.19. **RW** sought clarification about the process IG was going to progress with. **IG** advised that in the memo, from an Order point of view only, it will be specific as to when the implementation date is and what the CMA9 should be comfortable with is; that it wouldn't be any less than six months from when the memo is sent out. **RW** requested that before the memo comes out it would be helpful to have the conversation regarding the date. **IG** advised that he didn't want to create any surprises that put Release 3 at risk.
- 2.20. **GL** stated that there were two things that need to happen; either the RTS timetable for exemption gets shifted or these functionalities need to be brought forward, out of the current timetable. It cannot be that firms get an exemption based on things that haven't been tested. **HP** stated that the exemption process has nothing to do with the Order, each firm is at liberty, at some point next year that if they don't want to go for an exemption, they are just going to launch PCAs and BCAs and then make changes to their customer channel, they can do, not that anyone has indicated they are going to do this. **HP** stressed it is important to keep the different regulatory and legal constructs separate.
- 2.21. **CM** sought final clarification from IG; is Version 3.1 of the standard, including the proposition of Confirmation of Funds for PISP, Customer Experience Guidelines and the technical specifications – is that approved for publishing.

IG confirmed Version 3.1 including Confirmation of Funds for PISP, Customer Experience Guidelines and the technical specifications were approved for publishing, with the proviso that the element on Confirmation of Funds for PISPS where it refers to implementation dates is subject to a memo from OBIE PMO that will be released as soon as OBIE can logistically release it.

- 2.22. **CM** confirmed that would be clarified in the release note, so that people understand that when it is published, what can be expected and when.
- 2.23. **CA** expressed two areas of concerns on Confirmation of Funds for PISP; i) lack of explicit consent needed from customers, which OBIE have come up with a legal interpretation but would like the FCA to confirm they are comfortable and ii) how does Confirmation of Funds for PISP work from a multi-authorisation perspective. **DG** added that RBS had similar questions. **CM** advised that this could be dealt with via a change request. **CA** stated that Barclays had raised these points a couple of times and therefore without having an answer, she is reluctant to publish and feels it will cause anxiety in the TPP community.

- 2.24. **IG** believes that good governance has been adhered to and there is a mechanism to fix things via a change request. There is no implantation risk on the side of the CMA9, given the process surrounding the memo. **CM** added that he too believed good governance had been adhered to, although sometimes there are disagreements but OBIE has to go with the majority view. **CM** agreed there were some questions that had been raised that people feel have not been answered, and felt that it was important to publish with a clear statement in the release note that Confirmation of Funds for PISP implementation, under the Order, the date is still TBC and suggested an off line discussion with CA and if appropriate a change request can be raised. **CA** was comfortable with this approach, but felt there was a lack of transparency around whether the Barclays issues raised were not resolved, and felt that they had been pushed through a governance process and if they don't like the answer, they are put in a no choice position.
- 2.25. **IG** agreed that CM/CA should take this off line and requested that he and CM have a discussion around future consultation processes on the standards and how OBIE ensure the material questions do get addressed.

2.C EXTENDED MEMBERSHIP OF TDA FOR RECOMMENDATION

- 2.26. **IG** advised that this was an action from the roadmap and there were now willing and contributive elements that could join. The paper lists out the potential nominees and asked the IESG if they had any objections, which can be done bilaterally if necessary. **IG** will then ask CM to get the individuals on board and he stressed that this is not the final list of members, and some of the conversations had not yet taken place, so would appreciate a level of discretion from IESG.
- 2.27. **RH** asked what their voting rights were. **CM** advised that they have been nominated as they are already significant contributors to the standards and there is one vote per institution, with all decisions public and on confluence. **RH** questioned the principle as these members did not have to build where they are mandating items that the CMA9 will have to build under compulsion. **CM** advised it was not about voting on mandated items, it's about technical decisions. **CM** clarified that there were three TPPs and 12 ASPSPs who would mitigate the risk of TPPs out voting an ASPSP in terms of implementation.
- 2.28. **IG** believed the balance was good and in the future, less of what they will be discussing will be mandated. If any of the CMA9 thinks that anything from TDA/PMG is not effective or proportionate it should be escalated to IESG.
- 2.29. **RR** stated LBG loosely supported the nominations and if any of the CMA9 were uncomfortable they would table a request to ask the TPP member to abstain from that particular vote, if they felt their vote would be prejudicial. **IG** agreed this was a pragmatic solution and as CM is the chair of the group, he could guide them on this matter. It would be helpful to include on the Terms of Reference and escalation path to the Trustee for the CMA9, should they feel there is a specific issue that needs addressing. **CM** advised that already exists in the TDA and is mentioned in the Terms of Reference. **IG** suggested that it needs a bit of refining and asked the CMA9 to get their TDA reps to look at it. **CM** added that if there were topics that were very sensitive around implementation it can be discussed outside the view of other participants. Situations could arise whereby TDA will need an ASPSP only section to cover specific implementation issues, there is already something similar in the Testing Working Groups.
- 2.30. **HP** suggested it would be helpful to have unaffiliated TPPs to get independent voices around the table.

IG advised CM that he should follow through with these instructions and enter discussions with the suggested nominees.

- 2.31. **DN** asked if the banks were just providing stakeholder expertise or is there a commitment to adopt the standards in future. **CM** advised this was not about commitment to adopting standards, it's about commitment to contributing.

2.E NON CMA9 ASPSP PROPOSITION

- 2.32. **IG** stated the next section covered what OBIE had been doing to get non CMA9 ASPSPs to enrol formally with Open Banking; not just at the directory level. The team have produced a brochure-ware that explains to the non CMA9 ASPSPs exactly what they get out of Open Banking and why they should join, there are also some T&Cs; there are six non CMA9 ASPSPs as part of wave one; and OBIE are trying to get them to sign those. If there are material objections then iteration would be required. **IG** asked the IESG if they had any points they wished to raise, as transparency was important and if there were elements that could be used to make the pitch stronger then please feed this back.
- 2.33. **IG** added that it is important of actually getting the proposition productionised, ready to show the external world as a packaged product. This is not finalised yet and is still in a process of consultation, but because of the accelerated timeline; they have shown an early first draft of the Operational Guidelines; a second draft which is a material move-on from the first and there is still time in that process to have a third iteration and plan to bring to December IESG for final recommendation. It needs to happen because without it, it is difficult to get non CMA9 to actually sign up to commitment as per the T&Cs. If anyone has any suggestions on the brochure-ware, T&Cs and the Operational Guidelines they should be fed back to AA/EC.

ACTION IESG_2018_301_135: EC/AA to provide final iteration of Operational Guidelines to December IESG for Recommendation by the Trustee.

- 2.34. **FR** asked what outreach is being done as she understood there is a lot of activity in Europe and internationally talking to ASPSPs about the Open Banking Standards. Can you provide an update on the strategy for getting ASPSPs on-board?
- 2.35. **IG** stated this was the important first stage of the strategy: get the proposition sorted, create the legal framework that sits around the proposition along with sales documentation and road-test it with UK ASPSPs who have been working closely with the programme. The six have been waiting on Open Banking to provide the T&Cs and **IG** was hopeful that there would be some signatories in 2018, there is also a platform to go out to a broader audience. **IG** advised that that the OBIE team has been talking consistently about the Open Banking proposition, in as many different venues and channels as they can and importantly now have something to leave behind. Wave one is the priority and there is a small, but focussed specialist team in OBIE and the building blocks are now all in place.
- 2.36. **RR** asked **WC** for his views on what is good and what is bad. **WC** stated he was loathed to give too much of an opinion at this point. It has been working but Tesco's are now doing a much deeper dive which will enable them to have a better opinion. **WC** added that the devil is in the detail, it feels like it's a good way to do it but Tesco need to know more than they do now to be able to say for certain that it is the best way. **IG** provided context around the Tesco timeline: the brochure-ware was received a week ago; the T&Cs were received 24hours ago, which is why **WC** is holding his cards to his chest. **WC** added that Tesco are completely supportive, it's just too early to form a view.

- 2.37. **MM** supported the brochure-ware, it does describe the proposition and makes a clear distinction about what is out of the box and what additional services can be paid for. There is a point that should be recognised about the non CMA9 ASPSPs community, they are not a homogenous group, in terms of their view of Open Banking, it's dangerous to take a blunt instrument view that just because somebody doesn't join, it's because they don't support; it's actually as much to do with their trajectory to ensure that they don't create a compliance risk in respect of both the March and September dates and recognise that after September, at least appearances suggest that there is not an alternative but to create the fall back mechanism, in other words between now and September 2019 its either API or dedicated interface solution and hopefully persuade the regulator that you don't have to provide a fall back solution, after that date, you don't have that luxury. Although OBIE is offering a certification service, he was not aware that the FCA has come out and says they would accept that as an additional reassurance.
- 2.38. **IG** stated that OBIE will do as much as it can to legitimise the offering; putting credibility in the certification and there will be many more discussions with the FCA during the course of the next few months. **MM** added that stability and understanding and that no two banks are quite comparable is something to take on board.
- 2.39. **IG** wasn't sure what OBIE could do around the stability piece and it also shows the importance of spending time with each of the non CMA9 ASPSPs that OBIE want to sign up. It's not a case of just putting a product on the website and people self-register. **IG** added that from a Steering Group point of view OBIE /IG provide an update on the lessons learnt from talking to the wave one.
- 2.40. **AL** stated that in terms of the FCA expectations, they have said publically that they want this to become a way by which firms will meet their PSD2 requirements and to take MM point, the European context is quite important as a number of market initiatives are springing up and a lot of other authorities are very nervous in blanket agreement of that particular initiative or API standard is fine, especially when it is down to individual firms implement it. **IG** stated that from his perspective, he didn't ever hope to have an NCA or FCA delegate responsibility for the exemption process to a market initiative, let alone OBIE's. OBIE thought it would be helpful to align everything it has to the FCA process to provide an efficient way of running the whole exemption process, but more than that, OBIE are helping with the interpretation into a more granular level, which can give certainty as more and more firms go through.

2.D VERSION 4 SCOPE AND UPDATE FROM CMA9

- 2.41. **IG** advised that the CMA9 requested time in AOB. The context of this comes from an output from a Heads of Retail (HoR) meeting and they wished to provide their view on what success of 2019 looks like. **IG** confirmed that the letter had not been formally issued but he had seen a copy. He added that **RR** and the CMA9 were going to provide IESG with an overview of the letter and will provide the IESG an opportunity to add some commentary. **IG** advised that the letter would be shared with Steering Group as soon as is practicable, as soon as makes sense and wouldn't necessary need to wait until the next Steering Group to do that. **RR** stated that was his intention.
- 2.42. **RR** advised that in August the HoR wanted to set out their vision for 2019, while there was time to get ducks in a row for Release 4. The HoR believe that 2019 should be a series of positive developments for Open Banking around app-to-app, the redirection journey, availability and performance and where hopefully they continue to see improving statistics on a monthly basis. **RR** added that the he wanted to articulate some priorities and put some metrics around the

development of participation, which would be to see the broadening of the ecosystem in terms of customers, coverage, TPPs and banks.

- 2.43. **RR** added that the HoR wanted to drive customer adoption, put some concrete steps around future governance and finally throw a shoulder behind some of the other industry initiatives, e.g. Confirmation of Payee, which has just come under some direction from the PSR. To support the priorities, this letter is a request to realistically prioritise some of the things that are being built and believe the market would benefit enormously from a period of stability; that should ensure a controlled, safe, secure delivery of the priority items (app-to-app, redirection journey and improving the availability and performance)
- 2.44. **RR** stated that discussions had taken place around the specific proposal to defer some of the activity; there is some devil in the detail which IESG will be able to see once the letter is circulated. Some of the items have been agreed to in principle and there are some items the HoR believe need unpicking: in terms of benefits and connection to the CMA Order. **RR** also noted that in terms of P14 and P15, where there is an evaluation in process the HoR/CMA9 looked forward to continue in the engagement.
- 2.45. **RR** noted AA's previous update on P5B: the potential to move in the direction of opportunities, to develop standards that are optional or commercial for implementation; that sort of flexibility could help the CMA9 in the right direction. There is some further discussion to be had about when and whether OBIE should continue with standards development and the potential for that to pre-empt implementation deadlines. **RR** advised that in order for the CMA9 to support the priorities for 2019 and a period of stability it would be advisable to take a look at the roadmap in those terms.
- 2.46. **FR** said it was really helpful update, but in terms of process, found it hugely frustrating that the discussions had been held separately with HoR, that they were going to write a letter and then she would only be able to look at it at IESG without earlier consultation. **FR** added that there have been no real, proper strategic discussions at IESG on these issues, which she had been asking for, for months. **FR** requested to meet with the HoR, adding there are continued difficulties around governance and process and she wasn't quite sure how to fix it. **FR** felt that the discussion on 'vision for 2019' should have taken place at PAG with all stakeholders involved, instead of at the HoR meeting and suggested IG mention this to the HoR.
- 2.47. **FR** agreed with the CMA9 suggestions for 2019; it should be positive, the adoption should be sorted, decent products in the market that deliver on a stable foundation and offered to discuss the roadmap in more detail. **FR** advised there was a key issue she wanted to raise: the CMA9 have promised and committed to deliver the Roadmap, so they need to be careful how the changes are made, don't break trust because a lot of the basis of the roadmap and the releases have been consulted on and there are aspects of other roadmap items that rely on the basis that these things are going to happen. **FR** stated that CMA9 reps at the Evaluation Working Groups had clearly stated there were going to deliver the roadmap items as planned. If the CMA9 are looking to not do some of those key things that have been talked about, that are really important for consumers, the CMA9 should think through what that means in terms of trust and how everyone works together, this is a key challenge in terms of managing expectations. **FR** also added that it was important to look at the commercial and the optional and how those things are going to develop, what kind of role the Implementation Entity plays and what kind of governance is needed around that. **FR** was fully supportive of the direction of travel described but not supportive of the process that has led to this and really disappointed this couldn't have been led and delivered to IESG. She looks forward to

seeing the letter, but with the caveat that the CMA9 think through the implications of what they write for what they have already set out and committed to; promised to people like her.

- 2.48. **IG** advised that on the governance piece, one of the things that he did insist on when speaking to the HoR, after learning there was a desire on their side to send a letter was the he would find a way of inserting Steering Group into the discussion; which is in essence what is being done today. **IG** hoped that some of the comments find their way into the letter. **IG** confirmed that the letter is just from the CMA9 and a discussion at Steering Group level would help inform a response that either he, or jointly with the CMA would make, would result in a number of actions that will put this and all future actions squarely in the governance process. **IG** asked **RR** if that was the plan from the CMA9 point of view.
- 2.49. **RR** confirmed that was entirely reasonable, the purpose of being here is to be open to conversations. The CMA9 had initially hoped there would be time to circulate the letter. The delay is probably down to LBG as they wanted to get their positioning and tone of positioning exactly right, which is why it wasn't released a week earlier as initially intended. **RR** apologised for that and added that the CMA9/HoR were not expecting or asking for a decision here and now.
- 2.50. **GL** asked if the CMA9 wished to de-scope the roadmap in the interest of not creating more engineering challenges. **RR** stated that the letter may refer to items as being deferred rather than de-scoped; there is devil in detail which all should probably remain open to discussion on, but some items are either being done or have been done. **RR** added that all of the CMA9 agreed to, and indeed has been positive about P2, something **GL** said was very important and there is no intention to de-scope, rather defer in order to release the CMA9 from some of the engineering challenges as **GL** mentioned.
- 2.51. **IM** asked that on that point; reading between the lines, has the output of that letter already influenced some of the timings that are seen in the pack today; adding P14 and P15 subject to a fairly subsequent evaluation; has the discussion already had with HoR already filtered through here. **RR** advised that it hadn't because for one reason or another that are not related to this, to the letter, P15 and P14 didn't really hit the rails as far as the CMA9 was concerned.
- 2.52. **BR** observed that after **RR** had finished speaking most people looked quite bemused, he thought there was a sense of what is the point was of bringing this here. As he understood it, it is kind of watering the pitch, but a letter that will follow with some specific proposals. Who would the letter be addressed to. **RR** confirmed it would be to **IG** with **BR** on copy.
- 2.53. **BR** advised that when he hears references to prioritisation, it automatically signals to him that something is going to be a bit late, put at the bottom of the pile. There is a principle that has been established all the way through this project, which is no collective bargaining with the CMA9, individual banks can have discussions about the problems they have in hitting the targets set by the CMA, but as said many times; a problem with collective bargaining is you tend to finish going at the pace of the slowest and that is not something the CMA will countenance. Let's see the letter.
- 2.54. **HP** stated it's important to say that the point here wasn't around engineering, it's definitely not the tone and nor is it the spirit here. The point the CMA9 are making is there are a set of things agreed and areas to be considered and evaluated under the original roadmap, which if IESG recall was collectively agreed to prior to RTS ever coming into play. **HP** added since then what is in and out of scope for PSD2 has changed and that of course is something to consider, because the RTS date slipped back probably six to nine months later than anyone expected. **HP** observed that take up of

Open Banking has been slower than expected, therefore evaluations have been done without any empirical evidence from real customers and only a relatively small number of TPPs, arguably only one at any scale. He confirmed there is absolutely no request to take things off the evaluation list, but there is a request to do evaluations at an appropriate time when the CMA9 can see empirically whether there is a gap to fix, because it may be the case for some of these hypothetical issues will be resolved by the market naturally and there is no need to build additional requirements and a market led solution is everyone's preference. **HP** added that it may be the case that some of these are not fixed, and it is absolutely right that there should be additional requirements. **HP** reiterated that the CMA9 would like that evaluation to be done as was agreed in the original roadmap in that proportionate and empirical way.

- 2.55. **IM** stated that take up was tricky if things weren't there in the first place. It's hard to pin it on critical mass, there are a lot of factors; adoption of what exists now. **HP** agreed, and that is why the conversation needs to be had in the round. The CMA9 are not saying, nor asking for existing commitments to be removed, they are asking for the original commitment around an evaluation that's proportionate and reasonable to be done and if that can't be done today, which they are arguing probably can't be, they are suggesting a timeline where it could be.
- 2.56. **CA** added two points; one around what BR had expressed and that was the CMA9 are absolutely clear that it will not move at the pace of the slowest. She said that there is a need to allow adoption by customers, adoption by TPPs and adoption by the banks, that's not at the pace of the slowest, and the CMA9 have been very clear to make that because obviously for some firms there will be challenges, and that's a bilateral point. The second she raised was to reiterate HP's comments, the CMA9 are absolutely not backing away from any of their commitments, if anything they are just saying let's make sure they are the right commitments to ensure that it adds value to the ecosystem and does drive more customers to adopt Open Banking, more TPPs to adopt, the CMA9 are trying to take a pragmatic and sensible approach but with the objective being furthering and benefiting the Open Banking agenda.
- 2.57. **IM** asked would this influence things that have already been through and evaluation process. **HP** advised that the CMA9 did have some candidates. **RR** added that he thought the evaluation was largely complete on P7 (Reverse Payments), although some scoping work still going on and suggested the CMA9 were not sure that was the right priority at this time and would know more in the future. Where the evaluations are complete, for example P3, the CMA9 were not seeking any changes.
- 2.58. **MCH** noted another practical matter; RR effectively said this is a letter to IG and copied to the CMA, but it was very, very clear to him, from this teaser, that there are heaps of things in here that are of great importance and relevance to a much wider group of stakeholders. **MCH** added that from a practical point of view, he was talking about items that a lot of work has gone into in terms of evaluations being re-evaluated, about things that have been on the roadmap being deferred and a deferral depending on how long it is, can take effect as a de-scoping, it begs rafts of questions from the point of view of where will this end up in terms of ASPSP recruitment, TPP adoption, ultimate end user adoption. These were areas that he and FR were particularly keen to understand. So the question is when the wider group of stakeholders will get to be involved in this conversation.
- 2.59. **IG** was not sure he could not entirely answer that, but one thing he could not stop is people writing letters and thinks it's a question for the CMA9; when they send the letter, to whom they send it to, are they sharing it in draft with the Steering Group beforehand, these are all important considerations. **IG** added if it requires a response and presumed it would, he would endeavour to

make his response, “our” response so that it would have as broad a consultation as he could feasibly attain.

- 2.60. **MCH** stated that the CMA9 were effectively coming forward with a raft of proposals that could have a such a significant impact on the programme and that they should find ways of making that available to the wider group of stakeholders they possibly can, if not it absolutely bears out what FR has said, that there is a completely parallel set of conversations going on, that excludes the group of stakeholders that originally the CMA9 felt needed to listen to this kind of debate.
- 2.61. **RR** acknowledged the point, adding that the CMA9 had brought it here and were sharing it. **RR** reiterated that the intention was to have circulated the letter in advance of this meeting and then of course IESG would probably feel slightly less uncertain about the content. They could write a letter and won't be the first but the CMA9 are not the first group to write a letter out of governance.
- 2.62. **FR** asked the CMA9 to request a round table with the HoR, she felt there were regular meetings with the HoR and she would like them to talk directly to the other stakeholders, she believed the process was fragmented and found the option to write a letter was far from ideal and there should be a better way of working together. **FR** added that she would like the HoR to meet with the stakeholders and go through the letter point by point and hear representations. The outcome might be the same, but would feel much happier that they had heard and been part of this in an appropriate way than is currently the case.
- 2.63. **CA** advised that by not sharing the letter prior to the session, the earlier discussion may have over egged what the letter says. It states the CMA9 want to do good things for customers, good things for other banks and good things for TPPs as a collective. The CMA9 are worried that some of the things originally agreed to, might not get to that point, but as soon as they get evidence that suggests they are going to move at the pace of the fastest to get that done.
- 2.64. **CA** added that the HoR were trying to signal to IG, BR, AL and to all of IESG collectively that they are incredibly supportive of this as an endeavour, but think there are some decisions that were made right at the beginning in the absence of a lot of data, that actually might not be the right things for the long term endeavour. **CA** stated that when the letter is received, IESG will see that it's just an iteration of everything you would hear from the CMA9 on an on-gong basis, however the CMA9 are trying to signal the intent from the HoR and put forward some proposals that might help the longer term and the embedding of Open Banking. **CA** felt that there may have been a little scaremongering by turning it into a perception that the HoR have been sat in a room for hours concocting something in detail.
- 2.65. **FR** was really happy that it was positive but was more concerned about the process and thinks things are getting to the point where much better governance and much more transparency is needed. There are regular meetings that IG has with HoR. If the CMA9 HoR are committed, then let them sit down with stakeholders, let IG engage in this too, the HoR commitment to transparency would be greatly helpful.
- 2.66. **IG** finalised by saying CMA9 should take away and think about the letter, there are some thoughts here that maybe they would like to incorporate. They need to think carefully about whether it gets issued in final form or perhaps draft for IESG to look at. **IG** also advised that IESG need to be careful this doesn't become a governance issue.

- 2.67. **IG** confirmed that he meets with the HoR on a quarterly basis and is not a decision making forum, it is a session where they can explain some of their thoughts and feelings about the programme.
- 2.68. **IG** stated it was a shame that the letter didn't get out earlier and one of the things that is critical to the programme is to continue to develop the standards for some of those Version 4 items, until a decision is taken otherwise. If IESG decides otherwise, discussions have covered how to create a process now. **IG** observed that in order for the roadmap to be implemented and achieved, those standards do need to go into publication, six months prior to September which is when Release 4 is slated for and there is work required to create those standards. It is important to disentangle the non-evaluations and delivery items that are in Release 4. **IG** advised the importance of good consultation and input from all stakeholders of which the CMA9 are important participants in the creation of those standards.
- 2.69. **IG** added that he was happy to have a discussion around implementation, as the letter is related to non-evaluation items for which obviously those would be the only ones creating standards for. The next stage is to get the consultation moving and get the CMA9 to commit and participate in that consultation, noting for those with smaller teams, it will be challenging.
- 2.70. **IG** confirmed he had asked CM to elongate the consultation period for Release 4, in order to give those CMA9 members, particularly those who are struggling with resourcing requirements, more space or scope to participate. **IG** added that was happy to have the conversation in parallel, just so that OBIE can continue to participate in delivering the standards and demonstrate to the ecosystem that when OBIE say they are going to build a standard to a particular functionality, they do see things happening, they see those standards coming and being published, and being published in line with the roadmap.

3. AOB

- 3.1. **IG** advised that some elements of AOB had been covered; the SIR proposition was covered in the non CMA9 adoption. Consumer metrics was touched on earlier and the evaluation reports piece; **IG** proposed not to discuss today because there is a process going around the evaluation reports that is consultation, there is another window of consultation and then finally when they are published there is an opportunity for stakeholder representation. The real meat of P14 and P15 will come to the December IESG.

ACTION IESG_2018_301_136: P14 & P15 final paper to be tabled at December IESG.

- 3.2. **IG** asked **AA** to provide a brief overview on the API Evaluation Group (API EG). A comprehensive memo had been circulated.
- 3.3. **AA** advised that there was a bunch of recommended functionality listed in the paper, which is not in the mandatory part of the standard and a lot of it is down to the makeup of API EG and he didn't think the final report would be described as something that everyone that's on it would necessarily subscribe to. The process now is for EBA to decide whether it is and how it is going to respond to that. There is a meeting that has been set up by the Commissioners on Thursday 29th November, and will provide an update on what the Commission wants to say. **AA** suggested that OBIE will consider what comes out of regulators in terms of whether OBIE needs to change the mandatory parts of Open Banking standards and unless that happens, OBIE will not be responding to the API EG's recommended functionalities, as they are simply a set of recommendations. **AA** added that there are recommended functionalities included which have come through because a lot of TPPs believe they

would be helpful, so therefore they cannot be ignored. When OBIE talk with the ecosystem about what comes next, all of that functionality should come into scope of what OBIE might want to put into standards, initially as optional and then it will be for the Trustee to decide whether there is any element of that, that may or may not be mandatory for CMA9.

- 3.4. **IG** stated that James Whittle is one of the Co-Heads of the API EG, OBIE were looking for an update from him at the last couple of IESG's but that hasn't been possible. What OBIE now wants everyone to realise it is a non-regulatory group and it has a somewhat opaque process. **IG** added that there are many things being done in the UK e.g. DMS, dashboards that were not picked up by them. **IG** confirmed that OBIE will not react to that until the regulators send instructions.
- 3.5. **GL** advised there was a meeting set up to make a presentation from the evaluation group to VP Dombrovskis. The meeting is being organised by Ralph Jacob and there are six representatives of the TPP community, incl. FDATA, Klarna, PPRO, Trustly, Eurobits and Bankin, who have all been very active in the API group. **GL** understood that Thae Sabri (EMA) is attending and James Whittle (Pay UK). The ASPSP community will be represented by the EBF and some other European associations and banks. Ralf asked **GL** to attend on the basis that he could produce some evidence from the TPP experience of UK Open Banking Implementation on some of the challenges of going live across Europe on the current RTS timetable, the usage obstacles and API qualities. **GL** added that the TPPs believe there is a requirement here for some flexibility, because in his view only the CMA9 and small percentage of the ASPSPs across Europe who are more technically nimble have chance of delivering a dedicated API interface (to the current RTS timetable) with something remotely useful to the TPP market. The thought of having something that moves into testing and production on the 14th March and is proven to meet the requirements of TPPs by mid-June, based on what can be seen in the IESG pack today, e.g. API Availability, is showing that is a suspect timetable.
- 3.6. **GL** advised that the TPPs are going to be arguing forcefully for a number of principles: i) no cliff edge – meaning that there will be availability for the screen scraping to be maintained, there is not a clear view amongst the European banking market what the adjusted interface needs to contain, therefore the FDATA suggestion of using a double header for identity, through this period to satisfy the requirement for identification and it would be screen scraping as normal. ii) There will also be a representation on Strong Customer Authentication (SCA): that it doesn't lead to any detriment or deterioration in metrics, there is also going to be a request from the TPPs that there is a benchmarking, which they are viewing as a critical component of anything that is acceptable. **GL** is particularly keen that the TPP community and the banking community in the wider European context has not really taken away the learning that he had, which was that there was great importance to be placed on developing properly standardised security profiles and that he will be making the case of trying to get Europe-wide alignment on FAPI, CIBA and embedded CIBA (if there is a requirement for embedded). **GL** advised that all sides would be trying to figure out what to do about the time table. The European Commission has made it clear that there isn't even time to change the law now if they wanted to and therefore there has to be some kind of coordinated approach.
- 3.7. **IG** advised there were a couple of items IESG had not been able to cover:
- 3.8. In the pack there is an inclusion by FR on something she is developing with the Lending Standards Board on a Code of Conduct for TPPs. It sits more broadly than Open Banking APIs. If anyone has any questions please reach out to FR directly. He will then follow up with FR to perhaps have a more formal slot to talk about this in a future meeting.

- 3.9. **IG** advised that **PM** wanted to raise a point around Confirmation of Payee, which is under consultation on the direction, which closes on the 4th January and to what extent Open Banking should either play a role in participating in that consultation or making contingency measures to be able to support that market.
- 3.10. **PM** stated the key thing was to understand the way in which the direction impacts Open Banking and maybe something to be discussed substantively at a future meeting. **IG** agreed this sounded like an agenda item and one of the things that **PM** did make clear was that until the consultation is concluded there is no way of knowing how many PSPs will fall under the requirement of Confirmation of Payee.
- 3.11. **RW** asked if it was two fold – the impact on Open Banking from an Operational Perspective and the sentiment that is coming from the directions in terms of what the institutions have to do and the way the customer journeys need to evolve. **IG** agreed and OBIE has nothing to do with the implementation of it bank-side, but there are two key elements i) the directory's ability to on-board and ii) ensuring that the Confirmation of Payee flows in an Open Banking context. This can be included in the one page memo.
- 3.12. **RH** stated there was a liability piece around this; if the directory becomes the main stay for the Confirmation of Payee for the industry as a whole and it is something the CMA9 are sponsoring, what happens if it goes down. **IG** agreed this was a good point and that should also be included in the one page memo.
- ACTION IESG_2018_301_138: EC to provide paper for December IESG: One page memo on Confirmation of Payee required for next IESG to include i) the directory's ability to on-board and ii) ensuring that the Confirmation of Payee flows in an Open Banking context. iii) if the directory becomes the main stay for the Confirmation of Payee for the industry as a whole and it is something the CMA9 are sponsoring, what happens if it goes down.***
- 3.13. **IG** added the final AOB point, raised by **DN**, which is around the future role for PSD2 stakeholder group.
- 3.14. **DN** observed that there has been a change this year in the governance and wanted to have a discussion with IESG on what the views are on the role of the stakeholder groups going forward; where do they fit in the governance in the New Year.
- 3.15. **IG** closed the meeting.