

Meeting Minutes

Meeting details

Meeting date: 31/01/2019

Meeting name

Implementation Entity Steering Group (IESG)

Meeting time

10.00 – 13.00

Meeting location

Etc. Venue, 8 Fenchurch Place, London

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	Apologies
Daniel Globerson	DG	Royal Bank of Scotland	Apologies
Daniel Jenkinson	DJ	Senior Manager for Consumer /SME representatives	Yes
Doina Nicolici	DN	Pay.UK	Yes
Ed Colley	EC	OBIE - Prog Director	Yes
Eduardo Martinez Barrios	EMB	Santander	Delegate for RW
Faith Reynolds	FR	Independent Consumer Representative	Yes
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	Apologies

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Jonathan Glover	JG	Danske Bank	Delegate for VH
Julie Mitchell	JM	OBIE - Secretariat	Yes
Laura Mountford	LM	HM Treasury	Phone
Mark Chidley	MCH	Independent SME Representative	Yes
Mark Mullen	MM	Atom Bank	Apologies
Matt Cox	MCX	Nationwide	Delegate for JH
Oonagh Koeppern	OK	BOI	Delegate for DH
Paul Horlock	PH	Pay.UK	Apologies
Phillip Mind	PM	UK Finance	Yes
Richard Rous	RR	Lloyds Banking Group	Yes
Robert White	RW	Santander	Apologies
Roy Hutton	RH	Allied Irish Bank	Yes
Ruth Mitchell	RM	EMA	Phone
Stephen Wright	SW	RBS	Delegate for DG
Thaer Sabri	RM	Electronic Money Association	Yes
Vickie Hassan	VH	Danske Bank	Apologies
Will Curley	WC	Tesco Bank	Yes

No. Agenda item

1.a – 1.b HOUSEKEEPING: MINUTES AND ACTION LOG

- 1.1. **IG** opened the meeting and advised that, with regards to the minutes, feedback had been received and incorporated; no issues raised therefore the minutes were approved and marked as final.
- 1.2. **IG** advised that all actions were closed and many of the items had papers included in this month's pack.
- 1.3. **GL** asked if there was any availability of the output of 1.7 (Transaction ID's), which was that six of the CMA9 had reverted on. **IG** advised OBIE had collated the information, but hadn't presented back to IESG, asking EC if it had been presented anywhere else. **CM** advised not yet, there are plans to share it. **GL** asked if it could be put on the website. **CM** would need to check if ready to publish, further clarity required around whether or not it was a firm commitment or just an indicative approach; would look to publish something within the week.
- 1.4. **IG** advised actions being taken to ensure TPPs have better visibility on what the banks are doing, not just for Transaction IDs but across all of R3 and R4.
- 1.5. **IG** provided a brief update on the future of OBIE and the future state of Governance. It is not a specific agenda item for this meeting as still in preliminary discussion stage. No decisions have been made on future governance or funding, and any decisions that are going to be made, will go through full and comprehensive consultation. **IG**

advised that the forum previously set up to do this was the Future of OBIE Forum and the next meeting will take place on the 26th February. **IG** confirmed that he would be in a better position to update IESG on the next steps.

- 1.6. **PM** asked how IESG could get visibility of inputs, attendance and agenda of the meeting on the 26th. **IG** advised that was still work in progress, the group did not have any specific mandate or decision making power; it was simply a way of efficiently collating views from around the table. **IG** believed there shouldn't be anything that is "closed doors" from an information point of view, so could share more broadly; individuals will be able to consult and discuss with others and then afterwards anything that is discussed, it is important that it is shared as soon as possible. **IG** noted the February IESG is just after the meeting, he will be able to report back how close the group is to consensus.
 - 1.7. **RR** advised that he would be attending the meeting on the 26th February representing LBG, but would also be happy as a representative of the CMA9 and offered to meet with the banks collectively/individually.
 - 1.8. **IG** advised that the Heads of Retail had decided that two of the CMA9 would represent, noting that John Hutton of Nationwide would not be able to attend the next meeting; leaving it to the CMA9 to organise who would step in.
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ACTIONS

Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2018_301_103	19/07/2018	IG	<p>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> <p>IESG Discussion 19/12: IG/FR have a call scheduled to discuss 2pm on 21/12, which will also include FR comments around framework as mentioned at steering.</p>	<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>Update 14/12: Full update rolled to January IESG</p> <p>Update 22/01: Agenda item Articulating Success presented by FR at January IESG.</p>	<p>06/09/2018 26/09/2018 24/10/2018 28/11/2018 31/01/2018</p>	Closed	31/01/2019
IESG_2018_301_120	06/09/2018	AA	<p>Brexit Update: AA to look at paper on Brexit in October IESG.</p> <p>IESG Discussion 19/12: AA to provide a paper covering the list of potential issues faced.</p>	<p>Update 17/09: Item rolled to 24 October IESG. AA will provide a verbal update</p> <p>Update 22/11: Item rolled to December IESG</p> <p>Update 14/12: Item rolled to January IESG</p> <p>Update 22/01: Agenda item Brexit Risks presented by AA for noting at January IESG.</p>	<p>24/10/2018 28/11/2018 19/12/2018 31/01/2019</p>	Closed	31/01/2019
IESG_2018_301_127	24/10/2018	AA	<p>Copyright discussion: GL advised that item was not closed. IG requested to bring back to November IESG.</p> <p>IESG Discussion 19/12 AA to produce paper and discuss legal constructs with ME. Paper for noting only at January IESG.</p>	<p>Update 13/11: AA advised matter not ready for update for November IESG. Roll item to December IESG.</p> <p>Update 14/12: Item rolled to January IESG.</p> <p>Update 22/01: Agenda item Copyright position presented by AA for noting at January IESG.</p>	<p>19/12/2018 31/01/2019</p>	Closed	31/01/2019

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Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2018_301_135	28/11/2018	EC	Operational Guidelines: EC/AA to provide final iteration of Operational Guidelines to December IESG for Recommendation by the Trustee.	Update 14/11: OG document not presented at December IESG as previously planned, focus now on OBIEs approach on updating the OG following the publication of the EBA & FCA final reports. Item rolled to January IESG . Update 22/01: Agenda item Operational guidelines for approval presented by AA at January IESG .	19/12/2018 31/01/2018	Closed	31/01/2019
IESG_2018_301_140	19/12/2018	AA	EIDAS: AA suggested to Doina Nicolici that PSD2 stakeholder group set up a session to discuss eIDAS with AA leading/chair. AA also to speak with Moneyhub, Yolt and Account Technologies. OBIE preference is options 1 or 2 but not 3. AA to then provide a letter for the Trustee on eIDAS,	Update 15/01: AA to provide a short note on outcome of discussion with DN on this matter. In to be included in pre read only and not an agenda item for January IESG . Update 22/01: AA to provide verbal update during housekeeping at January IESG .	31/01/2019	Closed	31/01/2019
IESG_2018_301_141	19/12/2018	IG	NESTA: Chris Gorst to provide a proposal around retail, personal customers	Update 22/01: Agenda item Nesta proposal presented by AA for discussion at January IESG .	31/01/2019	Closed	31/01/2019
IESG_2018_301_142	19/12/2018	EC	Kite Mark/Trustmark: this links to the certification process and it was suggested that Roxanne leads this. EC to discuss with Roxanne Pocha (OBIE): what are the options and models to be considered and bring paper or verbal update to January IESG for possible discussion (paper classification tbc)	Update 22/01: Agenda item Trustmark preliminary discussion presented by EC at January IESG	31/01/2019	Closed	31/01/2019

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Action Number	Date Raised	Owner	Description	Notes	Target Date	Status	Date Closed
IESG_2018_301_143	19/12/2018	AA	P14/P15: AA to prepare Trustee letter or memo to extend evaluation process, letter to be submitted to January IESG. IG/CM to review: what OBIE agrees with, what requires further clarification and what has been missed. IG to kick start the process.	Update 22/01: Agenda Item Trustee response paper presented by AA for discussion at <u>January IESG</u> .	31/01/2019	Closed	31/01/2019
IESG_2018_301_144	19/12/2018	EC	Confirmation of Payee (CoP): during meeting, IESG were asked for their input into consultation on this matter. EC to email the CMA9 and check with Paul Horlock. Email required which sets out process on how contracts are agreed.	Update 10/01: EC and PH discussion has taken place. At the moment OBIE don't have a contractual basis to consult on but when they do would prefer to use the pay.uk consultation process back to the 9 rather than muddle it with multiple engagements. EC will communicate this to CMA9 at next PMG before the IESG Update 15/01: EC confirmed PMG have been updated.	31/01/2019	Closed	31/01/2019
IESG_2018_301_145	13/12/2018	AA	Working Groups: 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.	Update 10/01: AA preparing a Standards Governance Proposal paper to be submitted to <u>IESG January</u> which will close this action. Update 22/01: Agenda item Working Group Rationalisation paper presented for discussion at <u>January IESG</u> .	31/01/2019	Closed	31/01/2019

1.c PROGRAMME UPDATE

1.c.i OBIE STATUS REPORT

- 1.9. **IG** observed R4 had moved from Red to Amber and was based on the concept of putting some of the items that were included before into R4 and will be discussed later in the meeting.
- 1.10. **IG** advised the IESG there was a Directory outage over the weekend. It is the first one in over a year and affected two of the banks. **IG** stated the technical fix went in quickly (within 24 hours) but there were some procedural elements that require tightening up, particularly to do with the way the information was escalated within OBIE and externally.
- 1.11. **TS** asked what the service level was for the Directory; 24 hour outage for a payment system is quite a long time. **EC** advised the service levels around the directory were not 24 x 7 x 365; 100% availability. There are a number of items within the construct and framework of the directory, including what the directory service is and how it revokes consent through both the service desk and communications. Also with the caching capabilities, those are back within bank organisations. **EC** believed there were a number of things – it is not designed to 100% availability, the way the ecosystem interacts with the directory needs to take advantage of the caching components and OBIE are talking to the banks that were affected on how this can be improved. **EC** added a lot of the CMA9 already support those capabilities and OBIE would be articulating that as best practice with new banks joining the ecosystem. **EC** advised that OBIE want to drive for higher and higher levels of availability and better monitoring capabilities to ensure any outage is detected and resolved. In this example, the architecture of the directory should have kept it up and running; it didn't because of a fault that was introduced in November during a change. **EC** apologised and advised that OBIE were putting in processes which make sure these types of incidents don't materialise again.
- 1.12. **IG** asked what caching was in layman's terms. **EC** advised that in the context of a payment, it is more likely that it wouldn't be initiated, therefore a PISP may not be able to complete that part of the journey with its customer, however any payments that have been established (future dated/regular payments) would remain unaffected. In terms of caching the bank essentially holds the copy of the certificates that are in place within the directory and therefore the authorisation status that's within the directory of all of the TPPs (PISPs and AISPs) that sit within the ecosystem. In March/April OBIE will introduce a push notification, which enables banks to rely on the caching and not on manual processes telling them that a particular actor has been revoked by one of the National Competent Authorities (NCA). A number of banks have taken the position that they want to wait until that push notification has been introduced before they change their risk position.
- 1.13. **RH** observed that there was a single point of failure in the ecosystem and a year in and from a contractual point of view, there needs to be an SLA which states the reliability or what the uptime is, so that it can be measured. **EC** advised there is an SLA, however it's not 100% availability which is what is implied by a payments solution.
- 1.14. **GL** felt the explanation was confusing: it's not 100% availability because there is still the capability of banks to execute, if you are a payment initiator and you can't initiate a payment, you are not performing your business. That's a breach of the payment cycle for PISPs, however if there is anything connected to the initiation of the payment it is part of the payment system and should have 100% availability. **IG** added that the caching element applies to AIS and PIS, therefore payments will flow if the bank has decided to cache.
- 1.15. **IG** agreed an SLA was required and asked **EC** what it was. **EC** believed it was 99.9%. **CM** advised there were different levels of SLA's for services of the directory. Some are highly available; some are services that enable a look up which is not so high. There is the SLA of the service desk in terms of response times, which is largely during office hours. **GL** wanted to know what the SLA was of OBL to the marketplace. **RH** was concerned with Confirmation of Payee coming in; this is was a single point of failure for more than just the CMA9.
- 1.16. **EC** advised he would circulate the SLA and if the group wants to see the availability reporting, that can be done going forward.

- 1.17. **FR** was also concerned around the single point of failure and suggested to move to a system that was largely PISP led, (e.g. like Klarna in Sweden) it would become a matter of interest to the Bank of England, as we don't want SMEs who rely on PISP services, and don't use / offer cards, to go down, because there is a problem in the directory. Is that the possibility? Is the impact downstream that SMEs can't accept payments?
- 1.18. **IG** believed there was still a lack of understanding around the caching point. The directory was a whitelist and if a party was authorised and becomes no longer authorised the directory should reflect that and the bank should be checking against the directory to double check. The mechanism by which the directory is alerted as to whether a party becomes de-authorised is through the NCA. The NCAs are not providing a minute by minute, second by second update on the authorisation of participants, it's going to happen at best once a day, which is why all of the banks have the option to cache. **IG** added payments will still get initiated, OBIE have to ensure that if an NCA de-authorises a TPP, it should be reflected in the directory very quickly and the banks recognise that has been reflected in the directory, hence the push notification which is going to be rolled out. **IG** added that it's important not to think that the directory is a single point of failure or is systematically important and the same applies for Confirmation of Payee, it would be up to the entity that allows a participant to participate as a Confirmation of Payee actor.
- 1.19. **RR** added it sounds as though, if a bank is not caching, they are at risk of creating an obstacle. **MCX** stated that was not his understanding, believing the directory was a single point of failure potentially, the caching around it provides risk mitigation and different levels of caching have been applied in different organisations so there are different tolerances that exist. In future tolerance levels can be increased through caching, but that can only be in a 24 hour period as the directory would need checking in that time window.
- 1.20. **EMB** wanted to highlight the single point of failure that represents the directory and what is happening about the directory, Santander were not affected by the caching issue as Santander do cache, however on the 8th January, Santander and other banks experienced an issue in terms of the developer portals, which were unavailable because of an incident in the directory ; that has not been discussed here and **EMB** added most importantly and just to highlight the fact that the single point of failure resides there it needs to be reviewed. **IG** agreed this was fair and suggested that OBIE go one step beyond including the SLA's in the minutes. **IG** felt he could do with a paper, which should go through the risk function within OBIE that explains precisely what these elements of risk are, an can talk about caching as a mitigant and also states what the SLAs are against it. As a one off, OBIE should actually look at how the directory, if it is just the directory in the OBIE, how has it performed against those SLA's over an historic time period (flexible as to what the historic time period is).
- 1.21. **GL** asked how this would be recorded in the metrics/KPIs. **IG** stated that the report was the starting point and the on-going KPIs can be looked at afterwards.
- 1.22. **TS** stated that this may become an incident reporting issue for everyone involved because they are dependent on it. The paper should also consider incident reporting obligations under the EBA guidelines, to the FCA or whoever is the regulator. That information should then flow from OBIE to all of the dependent entities. This is an urgent and important piece of reporting and if anyone has not yet reported this incident they should think about it.
- 1.23. **RH** believed guidance was required from AL, using a recent Visa issue as an example. **AL** stated that all PSPs are under obligation to notify the FCA of any major incidents; there are thresholds set out in the EBA guidelines and expected all firms around the table to be aware of this already. **IG** believed that this should be factored into the paper that has been requested.
- ACTION: IESG_2018_301_146 - IG requested EC provide February's IESG with a paper on the issue, seeking input from Risk/Comms to include the procedural elements as well as the technical vulnerabilities considered, and think broadly about what this means about formal, regulatory incident reporting. The paper should explain precisely what these elements of risk are and can refer to caching as a mitigant, include what the SLA's are and review how the directory has performed against those SLAs over an historic time period. PMG/TDA should also provide input.**
- 1.24. **PM** asked EC to consider the implications for Confirmation of Payee; if there is an outage beyond 24hours, what are the consequences. **IG** agreed this was a fair point, but questioned if it should be in a different paper, but with the

same objectives and could link into Pay.UK. **IG** didn't want to commit Pay.UK to contribute to an OBIE paper. **EC** would consider the best way forward to close the action(s).

1.c.i CMA9 UPDATE

- 1.25. **IG** advised the bilaterals has been a successful initiative and Simon Waller and the team at OBIE are going through a process of trying to ensure which of the CMA9 are doing what and when is made available to the banks. A template has been circulated, which will be hosted on line; will be ready in a couple of weeks and will show functionality by CMA9/brands etc.
- 1.26. **GL** advised he had written to the HMT and FCA on behalf of the TPP community, seeking better transparency and visibility across the piece. There are seven weeks to the first RTS milestone and there is no visibility of who is doing what. The FCA is engaging with ASPSP community to get a better understanding, the TPP market has got no idea how to resource this. **GL** suggested he and **PM** discuss this off line and try to get some communications going as there is material business risk on the TPP side.
- 1.27. **IG** clarified that **GL** was referring to non CMA9. **PM** confirmed that UK Finance did a survey in 2018 and has been talking to the FCA about repeating it. This survey aggregated results, so it wouldn't give you a line of sight as to what individual firms were planning. **GL** added that if the entities were not producing, e.g a FAPI compliant interface, in the three month period, through which the TPPs get to test, before going forward to the NCA for examination or exemption, there won't be the capability to connect to the API to test the data payload and whether it's functionally rich. If the entire marketplace could adopt FAPI then at least there would be some surety that there could be a higher speed of connection. The difference between a standardised output and the different variances could be a variety of days of development time. There is coverage of existing markets and customers that need supporting and no idea, in a three month window, what level of resource is needed.
- 1.28. **CM** advised that OBIE are reaching out to all the ASPSPs that they know about to capture information about who is doing what and when. There is an ASPSP calendar to enable each ASPSP to publish and update their own calendar automatically done in a central point; we are encouraging everyone to do this. **IG** asked if anyone had added they were doing Berlin Group or proprietary, or does it self-select only those using Open Banking standard. **CM** advised it could be developed to add more information, but at present it was OBIE specific. **EC** suggested working with **PM**, who could communicate with his members to advise them that the resource was available to self-populate. **PM** would be happy to help and would like to discuss in more detail off line, and see where UK Finance can help.
- 1.29. **AL** advised that the FCA were also proactive in communications to ASPSPs, asking them their intentions. **GL** asked if the FCA coverage coming out of the CMA9 report was also going to cover the transparency of intentions of the timetable for introducing any new forms of SCA. **IG** advised this conversation was happening at PMG/TDA. **CM** advised that the prime forum was the Testing Working Group and asked IESG to encourage their relevant constituents to engage with this. **IG** requested that FDATA also get involved. **CM** advised there were 13 non CMA9 that OBIE was starting to collect data on.

ACTION: IESG_2018_301_153 - PM / EC to discuss ASPSP calendar concept and how UK Finance can disseminate information.

1.c.ii TPP FUNNEL

- 1.30. **IG** noted that a lot of participants that were authorised in testing, but not with live propositions are now gearing up to participate in the market.

1.c.iii API KPI

- 1.31. **IG** observed there was decent improvement across the board and was pleased with the quantity of Jira tickets that are being dealt with across all the banks and as a measuring basis; this is helpful to the Monitoring team.

- 1.32. **RR** advised there were discussions on how the response times were being calculated, as LBG were at slight odds with what OBIE were reflecting; some were resolved but there needs to be an agreed methodology and ensure that all are applying it the same way. **IG** acknowledged this was a difficult process and may not be entirely stable but understood, via PMG, there is a pretty granular definition of what is required and make the definitions more specific. **IG** advised that OBIE had collected customer numbers from across the CMA9 but was not comfortable the definitions were specific enough or being interpreted correctly by the CMA9. **IG** suggested that if any of the CMA9 had any issues with their numbers or other discrepancies to feedback to EC.
- 1.33. **MCH** asked the TPP representatives if he felt there was the same level of improvement. **GL** advised he had discussions with a number of TPPs, who are struggling with several issues: pagination of data, inconsistencies between what was on the consumer facing direct channel and through the API timeline inconsistencies (Transaction ID related). The stability of some of the brands have been consistent, however others are still on the journey to consistency. **GL** observed the next two months will be a litmus test, but there was a need to see material benefits. **IM** agreed with **GL**, stating that different TPPs are grappling with different elements of actually consuming this data. In terms of KPIs he felt they were a fair reflection.
- 1.34. **HP** asked if the TPPs could be encouraged to pass the feedback to the CMA9. The banks need to hear this at the service desks so they can remediate. **GL** added that on the positive side, he had heard that the TPPs are getting good support from all of the banks' service desk teams.
- 1.35. **FR** asked when customer numbers will be seen. **IG** asked for the bilateral conversations to continue and find a mechanism for keeping the OBIE Testing Working Group informed, continue with the Jira ticketing system as this demonstrates there is good activity taking place. **IG** advised on the point of customer numbers, OBIE have been collecting since December but they haven't been provided by all of the banks across the board and the challenge process is throwing up some discrepancies – until they have been resolved he wouldn't be comfortable publishing any numbers. **IG** confirmed the process for the customer numbers: discussed bilaterally, share them in the wider group and then consider carefully publishing them in the public domain.
- 1.36. **EMB** highlighted an issue around Jira and when the ticket is raised where the incident sits. When more TPPs come into the ecosystem it's going to see an increase in tickets. **IM** asked if OBIE should be categorising the closure of Jira tickets and understand whether it was an ASP or TPP led ticket, it could create a repository of learning for future issues.

ACTION: IESG_2018_301_148 - EC to discuss ticket closure categorisation with Simon Waller and the Testing Working Group.

2.a OPERATIONAL GUIDELINES FOR APPROVAL

- 2.1. **IG** advised that this item has come to IESG for approval and has been through wide consultation. The next step is to create an SIR umbrella document that sits across the technical standards, the Customer Experience Guidelines and the Operational Guidelines. The three together are what make the Open Banking Standards. **IG** confirmed benchmarks have been incorporated within the Operational Guidelines document, and wanted to stress these are not mandatory, nor under PSD2 although in his view there is an obligation under the Order to make sure the read/write APIs are continuously available.
- 2.2. **GL** commented that the last part was a shame.
- 2.3. **FR** questioned if the MI reporting requirements are not included in this document, it means they are outside of scope, where are they going to sit. **CM** advised this document focuses on two things: being clear about guidelines that OBIE have worked on to help ASPSPs meet their regulatory requirements for an exemption, along with requirements for reporting from September onwards. Currently there is a separate MI reporting template which is required for the CMA9 for reporting March onwards. **IG** added that these will all be subject to CR's and will evolve over time. **FR** asked where is the governance around this – does it belong to the Office of the Trustee. **IG** confirmed

it was, however the Office of the Trustee doesn't write the MI, which is produced by CM and then monitored by Ian Cox and the team.

- 2.4. **GL** stated that OBIE was the first organisation to do this. There is a regulator that has never seen what good looks like for this either, so if there is a method of creating operational guidelines that have had input from industry wide consensus, legal and regulatory, ASPSPs, TPPs and we arrive at a set of operational guidelines of what good looks liked, he had hoped it becomes normalised and the benchmark for regulation when it converges.
- 2.5. **CM** advised that OBIE are looking to get a baselined document that will go through change control and if anyone has feedback on this, once it is approved, it can go through the same process and update it. **CM** advised that on point 4, Form B has not been included as the team are working on an example of how a completed form might look like and provide consistency around the level of detail, there are also discussions taking place with UK Finance to understand what the form would look like if you followed another standard or no standard at all.
- 2.6. **HP** asked if the FCA will review the language. **CM** confirmed that OBIE is working with the FCA. **RR** was concerned if this was the final document or not, therefore wondering what IESG was being asked to do. **CM** advised this was Version 1 and would be baselined and published, and if any changes required they would be via a CR. **CM** added that Form B will either be published separately or it will be added to this document through change control.
- 2.7. **RR** also had a substantive concern in the guidelines around "must" and "should" and his understanding was that the "should" would not be considered by the FCA when it comes to an exemption request. **RR** didn't think it should detract from the Trustee powers that if there is a use case that relates to the downloading of data; if there are issues that are clearly wrong and the TPP is having an awful experience, the Trustee has the powers to intervene. **IG** added that as this programme matures, that action is likely to happen on a bilateral basis.
- 2.8. **IG** added that there was a CR where the team have gone through carefully, with wide consultation; defining the "should, could" etc. and all were now on the same page.
- 2.9. **WC** asked a question around how the OBIE certificates and checklist will match up to the fall back exemption for the FCA. **CM** advised that OBIE had positioned these as being evidence that ASPSPs can point to in their application in Form B. **AL** stated that from an FCA point of view, the intention behind a lot of the documents was to help facilitate a firm's application and exemption and have worked closely with OBIE on language and forms. **AL** added that when it comes to model answers, the intention is to get a level of understanding between the FCA and firms around what they would like to see; if individuals would find that helpful, then the FCA are happy to do so, if it turns out that firms are saying "don't bother, we will do our own" and the FCA do not need to provide that information, the FCA are equally happy. Given timing, the FCA cannot formally endorse things like this; there is industry guidance already in place.
- 2.10. **IG** stated the intent behind all of these checklists, that sit behind the Standards, is to make the whole process more efficient for the FCA and to give the ASPSPs a level of confidence in what they are doing is going to meet the requirements for exemption, but categorically the FCA have not delegated responsibility for exemptions to the OBIE, they will always retain the final judgement.
- 2.11. **IG was minded to approve the Operational Guidelines document.**

2.b PSD2 UPDATES ASSESSMENT

- 2.12. **IG** advised the document provided was well written and self-explanatory and provided clarity; however it had created more questions in other areas (Account Holder Name (AHN)) and asked IESG for their comments regarding the impact on the OB standards. **IG** added AHN was also included in Change Request (CR) 54, which addresses a number of other items that were created in the API Evaluation Group (APIEG).
- 2.13. **MCH** observed the wording "useful clarity that the AHN is expected to be made available to an AISP" and advised that an AISP had raised an issue with him that if there is no name, you run a fraud risk or have to make sure the

data that you have received does relate to the relevant name. He wanted to understand what this meant and what is actually going to happen.

- 2.14. **IG** held the view that the principle of including AHN was clear; the technical implementation of it is perhaps a little more complex. **AA** agreed the intent was clear in terms of sharing, work was needed within the CR process and exactly what the definitions were. **MCH** understood the principle but was keen to understand what happens in practice, does the name become mandatory or not. **AL** advised that it was the expectation of the FCA that Account Holder Name must be provided.
- 2.15. **HP** qualified **AL**'s comment; the FCA expectation is that it is provided if it is in one of the existing direct channels from that firm. **AL** stated "no", adding given the combination of where the EBA's Q&A have ended up, considerable feedback from TPPs over the last year, the various issues this creates for different business models and the fact that often the name is available through one of the channels i.e. coming in through screen scraping, he believed all of the factors taken together have led the FCA to the point (at least for AIS) where they consider the account holder name has to be made available.
- 2.16. **HP** stated that it was important to get the build right first time; so presumably it should be just the legal name of the account holders.
- 2.17. **IG** advised a way forward would be to use the OBIE consultation process, to figure out what is meant by AHN - joint accounts, power of attorney, nicknames, legal entities for SMEs, what happens if you capture two names. It should be done in a consultative way. The TPP would not wish to see each ASPSP defining AHN inconsistently. **IG** added that in CR54, the team have recommended to take out AHN and deal with that separately under a new CR and consultation. **IG** agreed there was sufficient steer, in terms of principle from what the regulators want and what needs to be built.
- 2.18. **RH** stated that AIB did not have that understanding of the FCA and the EBA rulings and had provided feedback and had discussions. **RH** advised that AIB were not trying to block and observed the CR54 had not gone through the Technical Design Authority (TDA) before being presented to IESG. **RH** added at this point, in terms of release date, it needs to be very careful and clear in terms of capability to deliver this if it becomes a mandatory request.
- 2.19. **IG** advised that OBIE should separate out the creation of the standard, which includes the precise and clear definition and the implementation of that standard. **IG** confirmed his belief that it was mandatory and the market has been very clear, stating they need this. All ASPSPs should be trying to get this to market as soon as they possibly can. **IG** believed the mechanism for this item would have to be discussed in the bilaterals, which works from an Order point of view and each of the CMA9 should raise this with the FCA in their own bilaterals.
- 2.20. **MCH** stated that mandatory or not will have significant implications for TPP and end user.
- 2.21. **RH** quoted from the guidance note (17.33 of the FCA/EBA guidelines) "we expect it to be that the same information be available to the customer by and ASPSP as available to the customer if they access their account on line directly with the ASPSP, therefore if it's not online, it is not a mandatory requirement. **MCX** stated that NBS had made that interpretation and a change to that would be a significant problem, as that is what they have built.
- 2.22. **GL** stated that after consultation with the TPP community, there was a potential fast train or slow train to delivering this. The AHN issue related to complex business accounts, where there are multi authorisation flows, it may require a wider engagement and to find a solution to deliver a mandatory outcome. **GL** suggested the fast train route, which is personal current accounts and simple business accounts, where the AHN is the person that has the account and is the PSU which is supporting a majority of the use cases; adding that when you look at the demand from TPPs that are not adopting the Open Banking API because this information is missing becomes an issue. **GL** observed if there was a methodology for personal current accounts and simple accounts where there is not any complicated flow, we should just get on and execute that, because the specifications have already been built and is not a material change. Move something from conditional to mandatory it becomes more. **GL** suggested that in the event that the complicated accounts create a drawing anchor on the personal accounts, they should be separated with a view to

getting one of the items out of the door. **GL** added the TPP market would view failure to deliver these as an obstacle and therefore firms that still have obstacles won't get an exemption. In terms of figuring out a way to fast track the removal of an obstacle, he understood it was new and that V.3.1 release is locked down and that people are building something; this is about trying to get a pragmatic solution to get the best, fastest outcome out the door, earliest.

- 2.23. **MCX** agreed but the CMA9 haven't moved on from what is the correct legal interpretation; it would be good to get definitive response to that point, as NBS have interpreted in line with other channels and that is what they have built to.
- 2.24. **IG** asked if it was the fundamental principle or is was it the degree of implementation resource that is causing concern. **MCX** stated both, the first problem being the latter of these two points. **IG** believed in what **GL** was referring to and a bilateral approach, **OBIE** can figure out the best way to get this into the market, subject to all the resource constraints that are to do with delivering the existing programme. The point about customers not being able to access their names, through the on-line channel – does NBS not currently offer this and is a relevant principle because names are not shown on PDF statements etc. **MCX** advised that NBS have built in line with the internet bank, where the name is not visible and that has been their interpretation of the law. The point of principle is if that became a barrier to exemption at this juncture, it would be a problem for NBS and would need to confirm whether the PDF's online contain the customer name.
- 2.25. **IM** observed that this doesn't just relate to PSD2 and if this is not going to be made available for whatever reason, there is an overlap in the Venn diagram; regulation overlapping with money laundering regulations, which **IM** believed the jury, was still out on. It seemed to imply that third parties, if this information is not available will have to go to alternative sources to ensure they are conducting themselves correctly, this relates primarily to fraud and AIS/PIS use cases in the eyes of the regulation. **IM** stated that if this is not made available, the TPP community will have to step up and do a great deal of IDV and Fraud Control, obtaining data from alternative sources to ensure that when a customer connects their account, it is the customer that they believe it to be. Currently they cannot do that as all they have is a sort code and account number.
- 2.26. **AL** acknowledged that previously the premise the FCA had been working on, was there was parity with what was available to the customer directly on-line and what's available through the API, however recent EBA Q&A responses as well as the APIEG recommendations and feedback, received directly by the FCA from TPPs mean that this is being considered more around is the API sufficiently functional for TPPs to operate.
- 2.27. **TS** asked if the FCA had come to a view on whether the AIS providers will be required to comply with AML legislation. **BR** stated that it was never part of the Open Banking Order and never assumed that there was this parity of information between on-line and what will be provided and the Open Banking regime. The CMA was defining things in terms of consumer outcomes rather than the way PSD2 defines things. **BR** agreed with **IG** on the bilateral approach to see if there are practical solutions to most, if not all of the problems.
- 2.28. **IM** advised **TS** that it was less money laundering, more fraud. **TS** responded by advising that the Commission had said AIS providers are not required to comply and member states have been left to their own devices. There is a compliance issue that is again criminal liability if you don't do it and you do have to do it.
- 2.29. **IG** asked the CMA9, by way of show of hands, who was willing to put an AHN into the API and those who were in the NBS/AIB category. (There was no show of hands)
- 2.30. **MCX** believed the question was by which point. **HP** added that it was probably firm specific and for personal customers HSBC are doing what **GL** suggested for March and it will be the name that shows up on on-line banking, which is often an abbreviated name, agreeing definitions need to be pinned down and recognised the demand. **HP** added that for business customers, HSBC is in the same position as NBS, where the name is not shared in on-line banking, the data is fiddly to pull through and will not be done for March. **HP** supported **GL**'s suggestion if agreement can be reached on what is required and be done for R4 for business, corporate and private banking channels. There is no objection at all; the specification requirement needs to be clear so it can be built correctly. **CM** advised that the current specification is open to interpretation and there are at least three or four different methods

on how to expose an account name. OBIE is trying to make sure there is absolute clarity around all the different options.

- 2.31. **IG** wanted to understand which banks have a point of principle that they are not going to do this regardless of timing; and believed NBS fell into this category. **MCX** disagreed, stating that as a point of principle NBS would be supportive but the key concern was they wouldn't want the exemption process to fail off the back of it at this juncture.
- 2.32. **IG** asked if any of the CMA9 were opposed to this as a point of principle based on their legal interpretation of the regulations. **RR** advised LBG were supportive of doing it on the basis that it's conditional and LBG will be doing it, adding it would be a fast follow on to R3. **RR** added that on the basis that it is conditional, he would not want it to be part of the exemption application, but the question is, is the connection to the CMA Order based on supporting people's ability to take their credit history, obtain lending etc.
- 2.33. **FR** asked if it is conditional for a bank to do it, will they put the name in, if it is required under PSD2 or not. **RR** observed that all agreed it is conditional, but for many of the CMA9 they are doing it already. If LBG were not already doing it **RR** suggested he would be sensitive around timing; and when the bank would be made to do it.
- 2.34. **IG** asked who was not planning to do it by September. **SW** stated RBS agree to do it in principle but want to see the specification as there are many nuances around sole, joint, partnership accounts etc. and then conduct an impact assessment. **SW** added that RBS are targeting September, but cannot confirm until he has a specification.
- 2.35. **IG** observed that GL's point of around 90% will be straight forward and the balance will be an education piece. **IG** believed there was an intention to do it by September and asked if all of the CMA9 were in that position. **CA** agreed, but clarified that Barclays are still going through their internal governance but their intention was September.
- 2.36. **RH** stated that as things stand the AIB interpretation does not include it, adding that if it is not on their channels it has not gone into their plan. There is no principle against it; it would be something they would like to do in the future. The builds are fully accounted for and the pressure AIB are under to deliver for March and September, **RH** didn't believe at this stage, subject to conversations last week with the FCA that it was needed at this point (for PSD2).
- 2.37. **GL** provided a view from the TPP community about what they would like to see play out in practice. **GL** understood that all of the banks don't have this, other than what HP referred to. Some banks may bring this forward; some didn't have it in the plan at all. If there is a policy decision made that everybody was supportive; that it was going to be done, knowing the RTS timetable is not practical already and trying to base assumptions around everything being done according to that timetable; there are two opposing forces here: one is that there is to be no obstacles to TPP businesses and the other is that the banks have already locked down what they have got to build, which also still retains some of those obstacles. **GL** thought if the CMA9 have an intention to progress in the smartest possible way then the TPP community would work with the regulator to try to come to a view that the obstacles were being removed and to allow the exemption process to go through. **GL** added that the TPPs wouldn't want to present a case to the regulator, whereby an ASPSP presenting no obstacles when they were not even intending to solve them. **GL** advised that the TPPs would be arguing vociferously against any bank that doesn't have an intention to solve this problem, getting an exemption.
- 2.38. **MCH** raised a point from a consumer perspective on data and a good customer outcome as envisaged by the Order, and found it peculiar that data that sits in a personal account cannot be used by a TPP because the format of an on-line service doesn't set out the customer name. **FR** advised there was a related point: there are great swathes of information held by credit card providers which will not be provided as they are not data considered 'accessible on-line' under PSD2. For instance, either the information is in a pdf statement which is not considered 'accessible online', or the online platform for credit cards doesn't provide it; the FCA should look at and establish what needs to be made accessible on-line in order for the data to flow through the system; as it stands, this is creating a disincentive for firms to put things on-line and make them accessible to their customers and is a real problem for certain use cases. **AL** stated that this will be considered as part of the exemption process.

- 2.39. **IG** advised that on the strength of the argument from an exemption, PSD2 point of view, from the strength of the argument from a CMA point of view and from the sense he was getting around the room, this was not actually a point of principle, there are some technical challenges.
- 2.40. **IG would like to approve Change Request 54** and asked **CM** if the Change Request (CR) was to do a CR for AHN or is it we have got that CR and we can start a process round it. Either way we need to action. **CM** advised that **OBIE** were looking at the technical options. **IG** asked does a new CR have to be raised to do this or is it included within this CR, if he approves this one, does that process start? **CM** advised the challenge has been around which firms are intending to implement what, the challenge is that this CR at a principle level could be fine but what is required is to change the standard and make it clearer. **IG** stated the CR should not address implementation or timings; it should address the creation of the definitions for AHN, this is the piece he wants to get started. The implementation and timings around that will in all likelihood now come out through the bilateral conversations; but once those bilaterals have taken place, **OBIE** can figure out if they can systemise it. **CM** stated that in that case, yes, **OBIE** has started that process already. **IG** asked if there were any questions around what he had just stated. **EMB** clarified with **IG**, who in turn advised that **OBIE** start with the delivery date and work backwards, however in this case it was create the standard and then debate bilaterally from a CMA point of view the timing of it and the CMA9 can have similar conversations with the FCA through their exemption processes.
- 2.41. **SW** advised there were still a lot of items enclosed in the paper and some of the items were a little confusing. **IG** suggested that a side conversation take place with Nilixa Devlukia (**OBIE**) where this can be worked through and then at February IESG if there are modifications to this document it can be brought back for further discussion.

2.c P14 & P15 TRUSTEE RESPONSE

- 2.42. **IG** believed there were a couple of issues, observing P14 had missed the exam question having taken the technical approach to account comparison adding that the technical issues can be fixed at cost/expenses but the real reason for lack of traction may have been missed. **IG** then asked for P14 to be revisited. **IG** advised in terms of P15, it addresses some of the matters, but there is a bigger issue, in that a lot of the impact or recommendations to do with the Customer Experience Guidelines (CEG) and rather than do piecemeal just for the dashboard, it should be done comprehensively including things like CRM and Confirmation of Payee (CoP). **IG** advised he did need to write to the CMA and explain what his actions, but the thrust is basically to go back to the drawing board. **IG** added it does have an impact on R4, which is a concern to IESG members who are in the middle of implementation; therefore these items will not be ready for implementation for R4.
- 2.43. **IG** advised he had created a draft letter to send to Adam Land at the CMA, which creates some actions around some of the simpler issues; but essentially requests this to be revisited. **IG** sought high level feedback and advised that he would not be sending the letter to AL until the 14th February and would be happy to take specific representations directly between now and then.
- 2.44. **IM** agreed with **IG** and the approach taken. He had questions around timing, especially P14 as it should not take as long as July, and felt the answers to the questions were all quite straight forward. **IM** advised he did not understand the rationale behind the Nesta Open-up Challenge Lessons Learned, as he didn't observe any outputs that tackle this head on, nor does it speak to the consumer space and was primarily SME. **IM** also had a question around the PCW marketplace and some scenarios which challenge whether or not if this capability is introduced, market shares would change and that needs further definition.
- 2.45. **IG** stated it was important not to do a re-run of P14 and make sure the questions are carefully scoped up front and would tackle some of the market share issues. **IM** added that due to the technical aspect he struggled to respond to it. **IG** advised that he had arrived at his decision in consultation with the CMA.
- 2.46. **BR** stated that he supported the Nesta follow up because he believed it was about business models and the commission based business model he thought wouldn't work for BCAs and the way the winners tackled it in the Open Up challenge, there may be lessons but did not expect it to be a big job.

- 2.47. **AL** understood and appreciated the intention behind some of the aspects that cover Current Account Switch Service (CASS) and account switching, but would like all parties to be careful about the connotation on how consent can be moved over to another bank. Consent must always be between the customer and the TPP, it should not go back to the banks managing consent.
- 2.48. **FR** advised IESG that she was a Non-Executive for CASS but was not speaking with that hat on, and added that the issue was around the convenience and ability for consumers to make changes to their accounts, there is already a certain level of “stickiness”, as consumers are concerned about changing their account because of existing payments that are set up and that is one of the reasons that the Payments Account Directive requires initiatives like CASS. **FR** added there was a need to be mindful that although there is PSD2 and consents lie with the TPPs, there is still an outstanding issue that the consumer might decide not to switch their current account as they don’t want to face the hassle of re-establishing all of those TPPs and new payees and this undermines the whole purpose of the CMA Order. **IG** observed there was a technical way of bridging this and it’s important to make sure that consent does not become an asset class that’s tradable.
- 2.49. **DN** added that from a Pay.UK perspective, they are happy to work with Open Banking on this and anything that promotes account switching. **DN** raised a question on Two-Way Revocation (TWR) which is related to consent and access dashboards, given what the EBA has advised that consent is in the TPP space, what is the legal opinion on this. Would TWR work and would TPPs see it as their access being revoked.
- 2.50. **AA** didn’t want to be drawn into providing legal advice and confirmed OBIE has looked at the EBA Opinion. An ASPSP cannot revoke a consent that a customer has given to a TPP and it is clear that there is no universal opt-out from all TPP access. **AA** advised that, if a consumer tells the bank they don’t want that TPP to have access it is reasonable to expect the bank not to give that TPP access. **AA** added that the crucial point is there is no functionality to let the TPP know about this. OBIE could look at building standards for revoking consent in P2 and clarified that a consumer can revoke a consent given to a TPP in the ASPSP domain. **DN** asked if a TPP would consider that their consent has been revoked and would OB consider asking the EBA this question. **AA** advised this was the OBIE position having read the EBA Q&A. **GL** advised the FDATA position would be reciprocal redirection, when the PSU comes to the ASPSP to cancel; they are redirected through the API at the same time. A TPP would then POP “are you sure you wish to do this” and the PSU is made risk aware of the consequences.
- 2.51. **IG** concluded that for P14/P15 he will take this away and consider it, and discuss further with AA. **IG** acknowledged the other matters that the IESG including DN would like addressed and requested those on email over the next few days to enable him to provide the correct wording to the CMA.
- 2.52. **RH** asked if there was a change of mind in terms of what the CMA9 have been told in terms of dashboard, that will require change of customer terms and conditions that have already been issued, there is a lead in time that will have to be considered. **CM** advised that this was part of P2. **IG** stated that he wanted clarity on the relationships between P2 and P14/P15 and reiterated his request for feedback on the draft letter.

2.d ARTICULATING SUCCESS (CONSUMER LED)

- 2.53. **IG** advised that he and FR had a number of discussions and had arrived at a proposed way forward.
- 2.54. **FR** stated there needs to be a focus on consumers and SMEs and was looking for a conduit, a process by which OBIE can do that. In the past, FR had mooted a cross sector group that provides steer and assesses issues as they come up. In this paper, there is a suggestion that potentially OBIE looks at partnering with an external organisation to focus on consumer outcomes, flesh out what good outcomes are and steer OBIE/IESG discussions and the work being done e.g. AHN might get some value from understanding what the impact is downstream for consumers. **FR** suggested potential thought leadership, is an efficient way of dealing with this.

- 2.55. **IG** believed thought leadership was a good idea and believed there is little in the public domain that has been put there in a well-articulated way by OBIE itself, lots of commentary, some of which OBIE agree with. This is an opportunity to fill this vacuum but how it's done is very important. **IG** advised that this was not a resource heavy process and clarified that OBIE would not be employing an expensive consultancy to write it. It would be partners who lend credibility to what is being discussed and have insight to add to it.
- 2.56. **RR** was supportive and believed thought leadership was a good idea, however there were two challenges: who would be the co-branding partner – they need to be neutral and credible/expert it leaves a pretty small population and getting people who are intellectually equipped / inclined to take a step back from the CMA Order.
- 2.57. **HP** was also supportive but concerned about the single, biggest blocker around security/trust and the safety circulated by journalist misinformation and requested this was focused on as part of this. **RH** added that this also linked to the trustmark, and should the working group/function be to put some thought process in terms of the trustmark.
- 2.58. **IG** agreed and felt thought leadership was a forward looking activity, to create a vision for Open Banking/ Open Finance but this would not drive the strategy. It should be light and quick to execute and put something into the vacuum, it shouldn't refer to roadmaps and what happens next; it could also be applicable to a German bank as to a UK bank. **FR** stated that this approach was wider than she had suggested. **FR** wanted there to be some practical application to Open Banking and how to make the conversations at IESG more consumer focussed. **FR** agreed with the forward looking approach but was keen that at least one working paper had a practical outcome for IESG, a potential framework that could help guide IESG discussions.
- 2.59. **PM** asked who owns the paper, is it a paper to this group or of this group, because there will be lots of different perspectives and it may be easier if it was a paper to this group that invites IESG to surface its own perspectives. **IG** suggested starting with "to the group" and seeing where it can get to. **FR** advised that in terms of partnership, there is a requirement for some resource within OBIE to partner with another organisation to deliver something that will advise and steer. There is also the possibility of some shorter, working papers.
- 2.60. **GL** asked if this was something that should be aimed at TPPs rather than Open Banking. It's not banks that are delivering, a bank as a TPP can be offering something for customers. **IG** advised there will be a time to brainstorm all of this, yet today there is agreement this is a good idea, clearly a lot of shaping based on what people's views are around the table.

ACTION: IESG_2018_301_150 - IG/FR to figure out the next steps – working with AA, craft a memo how to do this, what is going to be addressed and obtain feedback.

2.e TRUSTMARK PRELIMINARY DISCUSSION

- 2.61. **IG** advised he was going to skip this paper and would come back to it at the end of the meeting.

2.f NESTA PROPOSAL

- 2.62. Miles Cheetham (OBIE) joined the meeting for this agenda item.
- 2.63. **IG** advised this idea was requested by Chris Gorst at Nesta a light, simple version for the consumer. It has been costed and is less than half the price and to emulate what has been learnt from the SME success side of things. The CMA9 supported it at the Heads of Retail level, there was some debate around when this lands – is it 2019 or 2020. **IG** advised next step is to take points of view on the draft proposal and then move to contracts. **IG** was looking for big picture perspectives; if there were nuanced perspectives please feed them into Miles Cheetham.
- 2.64. **RR** referred to the sandbox from an LBG perspective and the provision of anonymised data. **IG** observed the sandbox did need fixing this time around, going forward OBIE should do the simplest thing required. **IG** advised that a mature level of TPPs were required so that in 2020 there will be some real products that people can use. **HP** added that

creating a model of synthesised data set that has the same attributes it will become a persistent resource that others can use on an on-going basis, but change so that it matches the standard – this will create some real value.

- 2.65. **GL** advised the Global Open Finance Centre of Excellence can host this and run the data set and control it at the University of Edinburgh, which has a super computer set up for this purpose.
- 2.66. **BR** raised two points; there is a need to be very clear what the criteria are for success; for as during phase one, there were eyebrows raised over the winners. Secondly the fuss over the sandbox was at the time, the release of data hadn't happened. This situation is different as it is real life, rather than hypothetical.
- 2.67. **GL** advised that HSBC were already invested in this via the Alan Shearing Institute. **IG** stated it was important not to duplicate anything and aims to bring the cost down even more, adding that the costing assumed that Open Banking will host it.

ACTION: IESG_2018_301_149 - Miles Cheetham and GL to discuss. IG advised that broadly speaking this is the right shape proposal and was minded to approve, adding that OBIE should action against this.

- 2.68. **FR** advised the after a discussion with Money Advice Service (SFGB), one of their comments was there are a number of challenges happening; they have a number of strategic things they are trying to achieve and this initiative will help them. **FR** addressed **BR**'s comment on adoption: not specific on what it means, so will need sharpening up. **MCX** added there were a number of these initiatives and it would be helpful to align the goals and standardise themes and approaches that can then be aligned to the consumer challenges that are out there. **FR** stated it was important to understand the landscape and what is it that Open Banking has been set up to achieve across PSD2 and the Order.

2.g NON CMA9 UPDATE

- 2.69. **IG** advised that things were still moving quite quickly, highlighting that Tesco Bank have signed and a credit card company is likely to sign later today/first thing tomorrow morning. There are four others that are in final legal review and wave two goes out on the 5th February. **IG** added the reasons for the delay were due to Christmas, and OBIE received a lot of comments on the first version, which OBIE perhaps underestimated. The challenge was not just negotiating but getting everyone to migrate to effectively to a common document. **IG** advised that OBIE legal and new business team could be better joined up and this is being looked at structurally. **IG** stated the big issue is the ASPSPs are working effectively at their own pace, some are in the sandbox already but think why they need to sign anything when they have access already. Others that aren't, are considering if they need to get in for March or September; also any organisation that doesn't have its head office in the UK takes a long time to progress and get approval.
- 2.70. **GL** asked HMT if they were going to put out another communication to encourage adoption of the Open Banking Standard. **LM** advised there were no plans for a formal communication but it is being raised in bilateral discussions. **GL** reiterated a communication would be helpful. **LM** advised she would take this off line and will discuss with others at HMT and in more detail with **GL**.
- 2.71. **IG** advised IESG if they had any more questions to approach EC directly as he monitors the business development team.
- 2.72. **EC** confirmed the credit card company New Day had just signed.

2.h WORKING GROUP RATIONALISATION

- 2.73. **IG** updated the IESG on the organisational changes he would like to make in OBIE. In recent steering groups, comments have been raised about the role of some of these groups and is there a need for this many; also the level of maturity of the programme is different from where it was two years ago. **IG** wanted to reflect the optional elements of R4, the commercial APIs and how they are going to be addressed. The team have proposed a mechanism for rationalising the large number of working groups, also in this pack is a change to the Technical Design new TDA terms of reference, this broadens the governance of the TDA to accept non CMA9 members and all seats

are now filled, bar Capital One who are still seeking an individual. **IG** didn't believe it was a matter for IESG to approve, but their input would be helpful.

- 2.74. **DN** asked if **IG** was planning on consulting on this with the stakeholder groups, adding that Paul Horlock (PH) wanted to discuss this in his next meeting with **IG** as there were implications of governance changes that would have impact on governance within Pay.UK.
- 2.75. **IG** advised that consultation amongst stakeholders hasn't been formally considered and asked **AA/EC** to address. **IG** added the idea was not to disband the working groups entirely, but to stop them meeting at prescribed points in time; call them in on specific issues that are more pertinent to them and not to lose the expertise. **AA** agreed that it needed it streamlining as there was a lot of overlap of process. **IG** confirmed that PMG and the quarterly finance review with the HoR will not be disbanded. **GL** felt that OBIE did not need to concern itself with the stakeholder working groups. **IG** stated that OBIE were not mandating when these meetings should take place. **GL** asked that to make sure the ability to consult with a wide group is there so when attending IESG, members are able to communicate not just our own opinions but feedback for each community. **GL** added that he had asked if he could send out sections of the IESG pack because he wanted feedback; if there isn't an opportunity to speak to our community coming into meetings with material things to discuss, then we are not really stakeholder representatives, we are just giving our own opinion. **GL** added these delivery groups also have to have a funnel into governance and wanted to make the point that he was sure that every member of an ASPSP round the table is not the only person in that organisation that gets to see the pack.
- 2.76. **IG** confirmed the IESG papers are not published on the website for public viewing, only the approved minutes and **GL** has requested to share elements of the pack with his constituents, OBIE don't have a process for agreeing what is the non-sensitive versus the sensitive content. **IG** agreed to take this off line with **GL**. **IG** addressed **GL**'s point about an ASPSP sharing the pack within their organisation: they are still covered by the same confidentiality as it is a single, legal entity so it is different to when it is being shared with people outside of an organisation.
- 2.77. **RR** was concerned about conflicting messages being heard and agreed the working groups had got a bit out of hand and there needs to be fewer official points of contact and then the responsibility of the IESG member to present a "house view". **AA** agreed and suggested addressing matters on a case by case basis, with the nominated representatives.
- 2.78. **FR** wanted to discuss off line what could be shared with consumer representatives too. She felt the pyramid diagram was missing a governance piece around risk, she was not comfortable losing the Security and Fraud Working Group (SFWG); that group should be speaking into OBIE as much as they are receiving information from OBIE and feeding back on it. **FR** felt there was a requirement for a risk committee or something similar. **AA** agreed and SFWG will meet on a quarterly basis as they do need to give guidance, input and outward conversations. **IG** asked if it was reflected in the paper. **AA** advised it was not called out specifically. **FR** added there was also a point around engagement (TPP, ASPSP, consumer engagement): what is the strategy and the full engagement across the piece? Regarding Commercial APIs, it would be good to ensure there is some consumer input into the development of those.

ACTION: IESG_2018_301_151 - FR to have offline discussion with AA/EC.

- 2.79. **BR** pointed out that on the Commercial API Committee, the activity was not covered or required by the Order and it may be that there is an argument for including that activity because it contributes towards the aims of the Order. **BR** added that it would be necessary, before finalising plans for that committee and the hiring of staff to check with the CMA whether it fits within the structure that was created by the Order, or another arrangement needs to be made. **IG** agreed with **BR**.
- 2.80. **PM** agreed with the sensible rationalisation of the working groups but raised questions on engaging ASPSPs, future direction, how long are these arrangements in place for and to **BR** point the development of Commercial APIs. **IG** advised this was not about the future of OBIE and governance, it's about trying to make what OBIE are doing now more efficient and right size for this stage of the programme and ensure future, potential options are not being

closed off. **IG** added there is no hiring and when the discussions take place on the future of OBIE, this will change again in terms of focus rather than the underlying structure and advised that other than P14/P15 there were no future evaluations expected that are within the CMA Roadmap.

2.81. **IM** and **FR** sought clarity on the interpretation and meaning behind “combining the working groups” and the creation of a pool of externals. **AA** advised if individual stakeholder groups continue to meet to get a collective view, OBIE will not get in the way of that and the purpose of the Delivery Working Group (DWG) is that communication effectively is from IESG through DWG out. **AA** added that OBIE were not trying to close off engagement or sub-community groups getting together, simply keep it as wide ranging as possible, this paper looks to close off working groups that are effectively a hierarchy of decision making. **GL** felt the DWG, if going straight to the end TPP/ASPSP is missing out the governance representation, so when it comes to IESG, there is no idea as to what has been discussed. **AA** stated the DWG would have representatives from IESG on it and communicate and engage with their individual groups and communities and feedback. **EC** stated the intention is to create the broad communication but also to help with feedback coming back from the collective communities and ensure that the representatives both DWG and IESG are getting the full spectrum of that consultation and input, rather than relying on an interest group trying to do it themselves. OBIE is trying to take some of the administrative burden away from the communities and still gather the inputs. **FR** understood from the slides there would be a new, enhanced DWG that meets monthly, after IESG, with members from IESG included.

2.82. **IG** concluded that if anyone had any questions, they should liaise with **AA**.

3. ITEMS FOR NOTING/RECOMMENDATION

3.1. **IG** concluded on the last few items that hadn't been fully discussed:

3.a BREXIT RISKS (FOR NOTING)

3.2. This is a good paper; there is so much uncertainty that a watching brief is required. **IG** encouraged IESG to field their comments to **AA**.

3.b COPYRIGHT POSITION (FOR NOTING)

3.3. This paper is intended to remove any misunderstandings where things stand on copyright, It is not setting out a strategy and any questions should be forwarded to **AA**.

3.c TDA TERMS OF REFERENCE (FOR APPROVAL)

3.4. **IG** was minded to approve the TDA Terms of Reference. It has gone through TDA and is consistent with the working group rationalisation discussed earlier.

3.d CHANGE REQUEST 54 (API EG) (FOR APPROVAL)

3.5. **IG** advised this was covered in depth in the AHN discussion. There the intent is to take out AHN and put into a separate process and create a CR around it. The remainder are elements that come from the APIEG and are elements that have been loosely called Commercial APIs and we will leave that in a different change request.

3.6. **FR** asked a question regarding “embedded” as she had seen that in one of the CRs. Is it going ahead? **CM** advised the idea was the CR is that all of these things are options now for consideration and if they are an option for a Commercial API or something that is not a regulatory requirement specifically, they are things that OBIE needs to evaluate against each other to prioritise. **IG** clarified that putting something through a CR does not refer to implementation, timing or whether it is mandatory or not. One of the things that OBIE has struggled with is that when any of the non CMA9 ASPSPs look at the standard and ask does it include everything needed for PSD2, OBIE respond that it doesn't include embedded, and they take a view that it is not actually a proper standard. OBIE want to ensure the standard can cater for whatever any party would like to do with regard to PSD2 but that doesn't

suddenly make it a mandatory requirement either under the Order and would require AL to have a separate discussion on exemption under PSD2.

- 3.7. **SW** stated there was a risk to R4 and the recommendations that were going to be carried forward. **CM** believed the wording was incorrect, confirming that these were already things that were part of the proposition on R4. **SW** reiterated there is a risk to complete R4 by April, where there are already some "Ps" for September plus AHN, he felt there will not be enough time for communities to provide feedback. **IG** stated the intent was to address this issue – keep R4 as thin as possible. **CM** advised that nothing is being added to R4. **IG** suggested **CM** and **SW** discuss off line and look at why the document is not reflecting this as this was not the intention, and asked **CM** to consider if the CR needed to be resubmitted.
- 3.8. **RH** asked, as a point of principle in terms of reference on Commercial APIs, they should be separate end points that don't effect anything that has happened in the main body release, they don't require changes to the standard APIs that have been introduced already. If for a commercial reason, they shouldn't require people who aren't going to use them to make changes. **CM** advised that TDA were looking at this for R4/V4 as well as Commercial APIs that add additional functionality if it is not a regulatory requirement and doing it in a way that doesn't require an ASPSP to do a whole version update. **RR** suggested that firms could develop alternate standards that fork off the OBIE standards.

ACTION: IESG_2018_301_152 - CM to review the CR, ensure it reflects the points of principles that OBIE had here and resubmit.

3.e CHANGE REQUEST 41 (CLASSIFICATION UPDATE)

- 3.9. **IG** believed this was non-contentious and it has been widely consulted, is about clearing up the language so there is no misunderstanding and was minded to approve.

3.f VRP FCA SANDBOX APPLICATION (FOR NOTING)

- 3.10. **IG** advised that OBIE have still not heard from the FCA whether or not it has been successfully admitted to the sandbox, but believed the announcement of this year's cohort hasn't been made yet. **RR** raised a comment around Commercial APIs and the requirement and the implementation around those, along with why they should be done in advance of governance and new funding arrangements.
- 3.11. **CM** confirmed that the sandbox paper could not be published wider than IESG. **AL** advised that no date had been set, but will be probably be public by the next steering group. **AL** also expected eIDAS to come up in discussions today, as there is a growing concern on the part of the FCA around some divergences or the way firms are implementing. Having spoken to OBIE, that concern is shared. It might be useful to have a separate call as soon as possible. **RR** agreed that it would be helpful to have a round table on this.

ACTION: OBIE to set up roundtable with CMA9 and FCA to discuss eIDAS. FCA to provide input and agenda.

- 3.12. **AL** believed that even post bilateral conversations, agreement has not been reached on the legal requirements. **GL** added that TPPs still don't appear to have eIDAS certificates.

2.e TRUSTMARK

- 3.13. **EC** asked IESG to provide feedback directly to him.

4. AOB - LENDING STANDARDS BOARD

- 4.1. **EMB** advised that Santander had been participating in other forums by the Lending Standards Board and the build of an ethical code for adoption of Open Banking; it would be interesting to see the synergies between OB and those potential initiatives that are being proposed elsewhere, and from Santander perspective they are keen to understand other bodies trying to get into these initiatives but in a much more coordinated way. **FR** advised that she

has been leading this and questioned if possible to get a small group together to discuss or bring to IESG with both sets of papers. **IG** advised that it could be done next IESG.

4.2. **IG** closed the meeting.