**GENERAL WRITTEN SUBMISSION TEMPLATE FOR COMMITTEE SPRINT 2 QUESTIONS**

|  |  |
| --- | --- |
| **Submitted by:** |  |
| **Company name:** |  |
| **Choose one of the following:** ASPSP/TPP/TSP OR OTHER |  |
| **Contact Details:**  email & mobile |  |
| **Permission to share submission with the Committee** | Please confirm with either YES or NO |
| **Non-confidential version attached** | Please confirm with either YES or NO |

We welcome evidence-based responses to the questions posed by the Joint Regulatory Oversight Committee (Committee). Please complete your responses in Word.

Written submissions will not be attributed to you, your firm or association and will be presented in any report on an anonymous basis unless otherwise requested by the contributor.

Please indicate above if you are happy for your submission to be shared with Committee members. If appropriate, please provide a non-confidential version for sharing.

**Please focus your responses on those questions for which you have relevant evidence. It is not necessary for you to respond to all of the questions.**

**Please note that the deadline for general written submissions is close of business Friday, 25th November.**

**ECOSYSTEM STRATEGY SPRINT 2 QUESTIONS**

**Section 1 - What do we need more evidence on ?**

**QUESTION 1.1**

Primary research with consumers and businesses, with a particular focus on vulnerable customers and small businesses, to explore key issues in relation to trust, consumer behaviour, understanding and awareness of Open Banking. What questions should be included? Who could deliver this and what are the best methods to follow (e.g., survey, focus groups)?

**Response**

**QUESTION 1.2**

In relation to API availability and performance, including down time, response time, reasons for API failures, etc. What metrics and from whom should data in relation to conversion rates/consent success rates/ failed journeys be collected, to ensure a consistent picture across the ecosystem? How should this be operationalised, including who should take this forward, in the short-term and on an ongoing basis as open banking+ develops? Should this insight be shared across ecosystem and what is the best way to do this?

**Response**

**Section 2 - What can we do in the short-term?[[1]](#footnote-2)**

**QUESTION 2.1**

Should TPPs and non CMA9 ASPSPs be required to adhere to the Customer Experience Guidelines/the rest of the Open Banking Standard? What are the costs to TPPs/non CMA9 ASPSPs to implement this? What are the pros and cons and what are the mechanisms for delivery?

**Response**

**QUESTION 2.1**

To build trust and a broader understanding of open banking, what are the key aligned messages that all participants in the ecosystem should provide throughout the user journey when consumers and business are opting for Open Banking services, e.g., when users are providing consent or initiating a payment? Should there be consistent messages on safety of data and connection? What are the costs and benefits?

**Response**

**QUESTION 2.2**

What use cases cannot operate without a dispute resolution system? Does this system have to be centralised or can it be decentralised and located in multiple places, depending on the use case and the functions that should be supported by the system? Why or why not?

**Response**

**QUESTION 2.3**

In terms of information sharing in times of crisis (e.g., a significant breach), should the future entity or another actor assume the role of a facilitator and coordinate necessary information sharing and any necessary remediation across ecosystem? What detailed information should be shared?

**Response**

**QUESTION 2.4**

Under the current standards, what are the fields / guidance that is currently optional should be adopted by all ASPSPs? And what information should TPPs pass on to ASPSPs that they are not obliged to today?

**Response**

**QUESTION 2.5**

For response messages and error codes, the lack of granular error information was mentioned as a concern by many TPPs in Sprint 1.

1. TPPs and TSPs: please provide details of the priority additional data you would like to see, and when?
2. All participants: are there any challenges to implementation (e.g., timelines, costs)?

**Response**

**QUESTION 2.6**

Enhancing transparency for end users emerged as a priority from Sprint 1. Which of the following options do you prefer to ensure that end users are clear on who they are paying or sharing data with:

1. Keep existing software statement model - no change needed
2. Enhance existing software statement model to reduce barriers, for example by ensuring correct completion
3. Move to identification of parties in consent flow

In your answer, please provide implementation considerations, including timescales and potential costs, and any required regulatory intervention.

**Response**

**Section 3 - What are the longer-term[[2]](#footnote-3) changes ?**

**QUESTION 3.1**

How would the implementation of delegated authentication improve consumer outcomes? What structure would need to be in place to support the delivery of this, if this were to be prioritised? What does it mean in terms of liability arrangement? What are the use cases that will benefit from delegated authentication and what are the barriers and costs to implementation? Please consider international examples that could be a good reference point.

**Response**

**QUESTION 3.2**

Multilateral agreements – Different options were proposed by members, in particular in relation to the degree of regulatory intervention needed to enable multilateral agreements and commercial solutions to take off. If regulatory intervention is advocated, should an approach such as the one adopted in Australia be considered where regulation provides high level principles for multilateral agreements to be followed? What are the pros and cons of your proposed model?

**Response**

**QUESTION 3.3**

We have received feedback from Sprint 1 and directly that a single AIS/PIS authentication could improve customer experience. Do you agree and what are the key considerations, including costs and challenges to implementation?

**Response**

**QUESTION 3.4**

What changes would need to take place to enable multiple authentications for SMEs, and what use cases would this support?

**Response**

**Section 4 - Which actor(s), including the Future Entity, should play a role in operationalising the items outlined (in Sections 1-3)?**

**QUESTION 4.1**

What is the role of the future entity in supporting ongoing evidence collection (outlined in section 1) and the delivery of any of the changes highlighted under the short term and long term categories (sections 2 & 3)?

**Response**

**QUESTION 4.2**

Where will regulatory and legislative changes be required in supporting the delivery of the proposed solutions? In what other ways can JROC facilitate progress, e.g., roundtable, industry sprints?

**Response**

**QUESTION 4.3**

What in your view are the top 3 short-term priorities and top 3 longer-term priorities to be addressed in a roadmap for the future development of open banking+?

**Response**

**QUESTION 4.4**

Should the future entity assume the role of a central standard setting body to develop, maintain and monitor future open banking standards or do more/less? If not the future entity, whom? How is competition best ensured?

**Response**

**QUESTION 4.5**

How should a central standards body be funded, for example tiered membership, regulatory levy, annual fees or a pay-for-use model? Should fees be based on market size, API numbers, customer base or other metrics?

**Response**

**QUESTION 4.6**

We received several responses regarding the way in which trust services (currently the OBIE Directory, including provision of certificates and NCA/FCA permissions checking). Which model of delivery do you prefer:

1. a single centralised model
2. ii) a federated model, whereby certificates can be provided by approved actors, or
3. iii) another option (please explain).

Please explain your reasoning e.g., evidence from other jurisdictions.

**Response**

**QUESTION 4.7**

To deliver the vision of open banking+, what other functions should a future entity carry out (if any), apart from concerning standards setting and trust services? (e.g., development of multilateral frameworks, monitoring, participant support, ecosystem development and promotion). How should these be funded?

**Response**

**PAYMENTS STRATEGY SPRINT 2 QUESTIONS**

**Section 1 - What do we need more evidence on ?**

**QUESTION 1.1**

There is a need for evidence and data in relation to Open Banking payment success under different value and use cases, as well as data identifying reasons behind payments not going through.

1. What metrics and data in relation to payment success should be collected?
2. Who should provide this data – Banks / TPPs / Both?
3. How should this be operationalised, including who should take this forward, in the short-term and on an ongoing basis as open banking+ develops?
4. Should this insight be shared across ecosystem and what is the best way to do this?

**Response**

**QUESTION 1.2**

Possible / perceived level of fraud risk was highlighted as key barrier to adoption for priority use-cases, including high-value payments, non-sweeping VRP and retail transactions. We have asked the data sprint to outline the data points that TPPs and ASPSPs would need to provide to enable us to form a better view of the state of play today and case studies for where fraud has taken place. We would welcome the payments sprint attendees to provide key data points, case studies and vulnerabilities.

**Response**

**QUESTION 1.3**

1. What is needed to make open banking payments a viable business case for banks?

**Response**

1. To what extent does the fixed fee for Faster Payments make open banking payments more expensive for retailers than card payments, and how much of a problem is this?

**Response**

1. If any, which aspects of the commercial model require regulatory intervention?

**Response**

**Section 2 - What can we do in the short-term?[[3]](#footnote-4)**

**QUESTION 2.1**

What are the short-term solutions to enable high value payments to be made consistently through open banking? What are the costs and benefits associated with those and what are the challenges to implementation for ecosystem participants? The FCA clarified that firms should not discriminate against open banking and ASPSPs are expected to allow each customer to initiate a payment via a PISP to at least the same level of functionality that is available to a customer if they initiate a payment through direct channel(s).

**Response**

**QUESTION 2.2**

Sprint 1 identified three ways in which the ecosystem could provide additional payment certainty to PISPs and merchants.What are the pros and cons of each of these three options? What are the implications on development timelines?

1. Enhanced payment status messaging.

**Response**

1. A new functionality in which a payment is either initiated immediately or not at all.

**Response**

1. A new functionality in which a PISP is able to obtain a payment guarantee, with settlement occurring later.

**Response**

**QUESTION 2.3**

We have asked the ecosystem sprint to consider error messages and in particular the additional fields needed and the costs associated with those. From a payments perspective specifically, please highlight if there are any messages of particular importance.

**Response**

**QUESTION 2.4**

1. Are there any non-sweeping VRP use-cases which ASPSPs could accept without further standards being in place and MLAs (e.g., covering protection)?

**Response**

1. What are the costs and benefits associated with the different options to enable VRP to develop further proposed by members, namely regulated fee cap or pricing model, requirement for all to develop non-sweeping VRP, treatment under faster payment as single payments, etc?

**Response**

**QUESTION 2.5**

For purchase risk disputes should the ASPSP be the first point of call (as is the case under the payment services regulations)?

**Response**

**QUESTION 2.6**

Some respondents talk through the need to develop solutions for batch and multiple payments, in particular for SMEs.

1. Is this a priority and what are the associated pros and cons of enhancing the standards?
2. If so, how can this be done practically?
3. Are additional standards needed and how quickly could it be developed?

**Response**

**Section 3 - What are the longer-term[[4]](#footnote-5) changes ?**

**QUESTION 3.1**

We have asked the data sprint to consider fraud data sharing and transaction risk indicators, costs and benefits associated with adopting these solutions and the specific data field that would be needed to be shared. Are there specific elements in relation to payments that you would like to highlight?

**Response**

**QUESTION 3.2**

We have asked the ecosystem sprint to consider multilateral agreements and the different options proposed by members. Is there anything different, specific, more urgent for payments that you would like to emphasise? And what is the key payment use case that should be prioritised? For example, should non-sweeping VRPs be the initial focus?

**Response**

**QUESTION 3.3**

Where should liability for the different types of dispute lie (Banks, TPPs, merchants or consumer, a mix)?

1. Bankruptcy protection
2. Breaching sales contract (e.g. goods not received, or not as described)
3. Fraudulent merchant
4. Other (please give examples)

**Response**

**Section 4 - Which actor(s), including the Future Entity, should play a role in operationalising the items outlined (in Sections 1-3)?**

**QUESTION 4.1**

What is the role of the future entity in supporting ongoing evidence collection (outlined in section 1) and the delivery of any of the changes highlighted under the short term and long term categories (sections 2 & 3)?

**Response**

**QUESTION 4.2**

What is the role of Pay.UK in supporting the delivery of these changes, i.e., are changes to the clearing and settlement infrastructure required?

**Response**

**QUESTION 4.3**

What are the roles of industry and regulators in operationalising evidence collection and the delivery of the proposed solutions for payments?

**Response**

**QUESTION 4.4**

What is the role regulators should play? Where is regulatory intervention required and what type of intervention is required?

**Response**

**QUESTION 4.5**

What in your view are the top 3 short term priorities and top 3 longer term priorities to be addressed in a roadmap for the future development of open banking+ payments? What would be reasonable timeframes for these to be achieved?

**Response**

**APPENDIX – SUPPORTING EVIDENCE PAYMENT STRATEGY SPRINT 2**

Where you wish to provide supporting evidence, please embed these or provide the links to them below. Please do not email them as attachments.

**DATA STRATEGY SPRINT 2 QUESTIONS**

**Section 1 - What do we need more evidence on ?**

**QUESTION 1.1**

Statistics in relation to attempted and successful fraud cases of Open Banking payments against other direct banking channels and granular data on the frequency, types, value, use cases of attempted fraud, successful fraud and “false positives” cases of Open Banking payments.

1. What are the key metrics TPPs and ASPSPs should provide data on to enable JROC to have a view on current levels of fraud? Please share case studies of attempted and successful fraud cases that highlight key system vulnerabilities.
2. How should data collection be operationalised, including who should take this forward, in the short-term and on an ongoing basis as open banking+ develops?
3. Should this insight be shared across ecosystem and what is the best way to do this?

**Response**

**Section 2 - What can we do in the short-term[[5]](#footnote-6)?**

**QUESTION 2.1**

In the first sprint many of TPPs identified a number of additional customer attribute data that would improve their own risk scoring. However, some TPPs and all of the banks questioned whether TPPs can realistically play a key role in fraud detection given the disparity in the information available to them. What are the pros and cons of providing additional identify-related information to TPPs? Would the standards need to be updated and what is the implication on timelines?

**Response**

**QUESTION 2.2**

1. What are the barriers to the consistent adoption of transaction risk indicators by all?
2. What is needed to remove those blockers?
3. What are the costs for ecosystem participants and the time needed for implementation?
4. Should there be a regulatory requirement to use TRIs? Could a similar approach to the RTS Transaction Risk Analysis exemption (based on actual fraud thresholds) be used?

**Response**

**QUESTION 2.3**

How can regulators better support the development of propositions that benefit consumers in vulnerable circumstances, promote financial inclusion and ESG? For example, should there be more targeted support from the FCA’s Innovation Pathways or use of the sandbox?

**Response**

**QUESTION 2.4**

A respondent mentioned the benefits of being able to access data from sources such as NS&I to open banking. Are there other example sources which should be considered? What is needed for this to happen?

**Response**

**QUESTION 2.5**

We have asked the ecosystem sprint to consider error messages and in particular the additional fields needed and the costs associated with those. From a data sharing perspective specifically, please highlight if there are any messages of particular importance.

**Response**

**Section 3 - What are the longer-term[[6]](#footnote-7) changes ?**

**QUESTION 3.1**

How should transparency and end-to-end visibility of the end recipient of data shared, including onward sharing, be improved? What are the preferred solutions and alternatives? What are the pros and cons?

**Response**

**QUESTION 3.2**

Could the sharing of authorisation and consent data through API be a solution to facilitate the development of secure consent management services (dashboard like features)? What are the pros and cons and costs of development? What are the challenges to implementation?

**Response**

**QUESTION 3.3**

Can solutions that support consumers in vulnerable circumstances, such as bereavement, delegation of authority for accounts, etc, be developed under the current framework? What is needed for such development? Do the standards need to be updated to allow for more data to be shared?

**Response**

**Section 4 - Which actor(s), including the Future Entity, should play a role in operationalising the items outlined (in Sections 1-3)?**

**QUESTION 4.1**

What is the role of the future entity in supporting ongoing evidence collection (outlined in section 1) and the delivery of any of the changes highlighted under the short term and long term categories (sections 2 & 3)?

**Response**

**QUESTION 4.2**

What are the roles of industry and regulators in operationalising evidence collection and the delivery of the proposed solutions?

**Response**

**QUESTION 4.3**

Should a premium API ecosystem develop for data? If so in what areas?

**Response**

**QUESTION 4.4**

What in your view are the top 3 short term priorities and top 3 longer term priorities to be addressed in a roadmap for the future development of open banking+ data? What would be reasonable timeframes for these to be achieved?

**Response**

**APPENDIX – SUPPORTING EVIDENCE DATA STRATEGY SPRINT 2**

Where you wish to provide supporting evidence, please embed these or provide the links to them below. Please do not email them as attachments.

1. “Short-term” is defined as 12- 18 months [↑](#footnote-ref-2)
2. “Long-term” is defined as 18+ months [↑](#footnote-ref-3)
3. “Short-term” is defined as 12- 18 months [↑](#footnote-ref-4)
4. “Long-term” is defined as 18+ months [↑](#footnote-ref-5)
5. “Short-term” is defined as 12 – 18 months [↑](#footnote-ref-6)
6. “Long-term” is defined as 18+ months [↑](#footnote-ref-7)