

Consultation paper

APP scams publication guidance

Consultation on the publication
guidance for cycle 2

May 2024

We welcome your views on the publication guidance for cycle 2. If you would like to provide comments, please send these to us by **5pm on 30 May 2024**.

You can email your comments to **appscamsdata@psr.org.uk** or write to us at:

APP scams measure 1
Payment Systems Regulator
12 Endeavour Square
London E20 1JN

We will consider your comments when preparing our response to this consultation.

We will make all non-confidential responses to this consultation available for public inspection.

We will not regard a standard confidentiality statement in an email message as a request for non-disclosure. If you want to claim commercial confidentiality over specific items in your response, you must identify those specific items which you claim to be commercially confidential. We may nonetheless be required to disclose all responses which include information marked as confidential in order to meet legal obligations, in particular if we are asked to disclose a confidential response under the Freedom of Information Act 2000. We will endeavour to consult you if we receive such a request. Any decision we make not to disclose a response can be reviewed by the Information Commissioner and the Information Rights Tribunal.

You can download this consultation paper from our website:

www.psr.org.uk/cp24-7-app-scams-data-cycle-2-publication-guidance/

We take our data protection responsibilities seriously and will process any personal data that you provide to us in accordance with the Data Protection Act 2018, the General Data Protection Regulation and our PSR Data Privacy Policy. For more information on how and why we process your personal data, and your rights in respect of the personal data that you provide to us, please see our website privacy policy, available here: <https://www.psr.org.uk/privacy-notice>

1 Executive summary

This consultation document accompanies our draft guidance on the publication of authorised push payment (APP) scams data for the second reporting cycle (January to December 2023) and should be read alongside it. This document discusses the changes that we have made to the publication guidance following cycle 1. We may issue updated publication guidance for each reporting cycle.

Introduction

- 1.1** APP scams are a major problem in the UK. We want to prevent APP scams happening in the first place, and to protect people who do fall victim to them.
- 1.2** As part of a wider package of measures, we required the 14 largest PSPs in England and Northern Ireland (directed PSPs) to report APP scams performance data to us¹.
- 1.3** In October 2023, we published our first report on our website. We also required the 14 directed PSPs to publish a subset of this data on their homepage. This requirement is set out in Specific Direction 18 (published March 2023 and revised in December 2023)². To support directed PSPs with publishing this comparative data, we provided guidance in October 2023³. In this guidance, we asked directed firms to publish the data in chart form. Since this guidance was issued, we are proposing to make changes to the publication guidance for cycle 2, and we are seeking views on these changes.
- 1.4** Our work on the publication of APP scams data is part of a broader package to ensure that measures and incentives are in place across the payments industry to prevent and better support victims of scams.
- 1.5** This information will help consumers assess each PSP's performance on APP scams.

1 The 14 largest PSP groups in England and Northern Ireland are: AIB Group (UK) plc; Bank of Scotland plc; Barclays Bank UK plc; Clydesdale Bank plc/Virgin Money UK plc; The Co-operative Bank plc; Northern Bank Limited; HSBC UK Bank plc; Lloyds Bank plc/Bank of Scotland plc; Metro Bank plc, Monzo Bank Limited; Nationwide Building Society; National Westminster Bank plc/Royal Bank of Scotland plc/Ulster Bank Limited plc; Santander UK plc; Starling Bank Limited; and TSB Bank plc.

2 See [Specific Direction 18](#) (December 2023).

3 [Publishing APP fraud data: A guide for PSPs](#) (October 2023).

Consumer testing

- 1.6** Cycle 1 was the first time we have published data on APP scams. One of our key objectives was to give consumers greater information so they can make informed decisions about who they bank with.
- 1.7** To ensure we are achieving this objective, we commissioned a consumer testing agency to test consumer understanding of the APP scams charts and the accompanying text that the 14 directed PSPs published in 2023. The testing assessed:
- how easy it was for consumers to find the data online
 - consumers' perception and comprehension of the four charts that the directed firms published
 - how motivating the data is to encourage switching between firms
- 1.8** This provided valuable insights into consumers' understanding of APP scams and what the data means for them. A summary of the findings found:
- a. Data on reimbursement (Metric A) was the most informative for consumers.
 - b. Engagement with Metrics B and C was limited as consumers lacked an understanding of the terms 'sending' and 'receiving' firms. Consumers were also unclear on how this information could be used to support them in making a decision on who they bank with.
 - c. Consumers reported that they do most of their banking via their bank or building society's online banking application. As a result, they found it difficult to locate the performance data when searching for it, and made suggestions for the data to be made available on their bank or building society's online banking applications.
- 1.9** Findings from the consumer testing have identified important considerations on what data is published, how this is presented and where it is published, in order for consumers to meaningfully engage with the data. Some of the insights have allowed us to propose changes, such as amending language for publication to make it more user-friendly, which could be implemented in the publication of cycle 2 data (we set this out at table 1).
- 1.10** However, we recognise that there are more substantial recommendations, which will be best considered and have a greater impact once our reimbursement measures are in place in October 2024. Our mandatory reimbursement measure⁴ provides the opportunity to collect more comprehensive performance data, which is likely to be of greater interest to consumers. As such, we consider that this will be a more appropriate opportunity for us to revisit the issues focused on how this data is presented and where it is published. We will consult on further proposals in late 2024.
- 1.11** We also recognise the demands already placed across the industry in preparation for mandatory reimbursement and the expansion of Confirmation of Payee. As such, we want to ensure that industry resources are utilised appropriately and that industry work can be sequenced where it is likely to have the greatest impact.

4 See [Fighting authorised push payment fraud: a new reimbursement requirement](#) (June 2023).

Proposed changes

- 1.12** In the table below we provide a summary of the changes we are proposing for cycle 2. This includes feedback that we received from the consumer testing and lessons learned from cycle 1. Some of the amendments to the publication guidance are intended to provide greater clarity on our expectations and the requirements placed on firms.

Table 1: Summary of the changes to the publication guidance

Section of the publication guidance	Proposed change for cycle 2	Why we are proposing this change
2.9	<p>In cycle 1, firms were directed to publish APP scams data on their banking homepage.</p> <p>This requirement will remain in place for cycle 2. However, following feedback, directed firms will have the option to publish APP scams data on the fraud section of their website, in addition to their homepage.</p>	<p>From consumer testing, we found that consumers were unfamiliar with their bank’s homepage. When searching for the information, consumers gravitated towards the fraud centres of their bank’s websites. We are therefore enabling directed PSPs to publish the data in both locations.</p> <p>In the long term we will revisit where this data is published.</p>
2.14	<p>In cycle 1, directed firms were required to keep APP scams data on their homepage for 12 months, which would mean that cycle 1 data would need to remain until November 2024.</p> <p>Once cycle 2 data is ready to be published, we will require directed firms to only have performance data on their homepage in relation to cycle 2.</p>	<p>Cycle 1 was the first time we required directed firms to publish data on APP scams. We do not require directed firms to publish two cycles’ worth of data on their website and have amended the guidance to reflect this.</p>
2.4	<p>We have clarified that directed firms will be receiving the charts they are required to publish after market opening on the day we release our report.</p>	<p>Following the publication of cycle 1, we requested feedback on the process from firms named in our publication. We heard from firms that they would like more clarity on when they will receive the final charts. We have amended the guidance to provide this.</p>

Section of the publication guidance	Proposed change for cycle 2	Why we are proposing this change
Annex 1	We have added a scale to the charts to indicate who the best and poorest performing firms are.	Consumer testing showed that consumers struggled to understand the inconsistent ranking, with a rank of 1 indicating the best performing firm in the metric A chart and the worst performing firm in the metric B and C charts. We have added a scale so that consumers can quickly identify who the best and worst performing firms are.
Annex 1	We have updated the text accompanying the charts.	Consumer testing showed that consumers struggled to understand some of the terminology used. We have amended the text that directed firms are required to publish to make it more user-friendly.
Annex 1	Where directed firms are shown in the charts for publication, we will include a figure to the right of the chart indicating the change in their performance from last year.	This will provide greater context to stakeholders to reflect changes in the firm’s performance from the year before.

Next steps and consultation questions

- 1.13** We welcome your views on the proposed changes for cycle 2 in this consultation paper by 5pm on 30 May 2024.
- 1.14** You can send your comments and responses to our consultation by emailing us at appscamsdata@psr.org.uk. We would be grateful if you could provide your response in a Word document (rather than, or as well as, a PDF).
- 1.15** We welcome comments from all stakeholders and interested parties, not only entities that we regulate. During our consultation we will engage with directed firms and industry trade bodies through an industry roundtable to give stakeholders the opportunity to ask questions and provide feedback in person.
- 1.16** Following consultation and our assessment of the responses, we expect to issue the final publication guidance for cycle 2 by the end of June 2024.
- 1.17** We will consult on the more substantive issues raised during our consumer testing in Autumn 2024 and will look to address these in cycle 3.

PUB REF: CP24/7

© The Payment Systems Regulator Limited 2024

12 Endeavour Square

London E20 1JN

Telephone: 0300 456 3677

Website: www.psr.org.uk

All rights reserved