

## **Introduction**

This document contains the draft CHAPS reimbursement rules and is being published alongside the PSR's consultation on Specific Direction 21. These CHAPS reimbursement rules are based on the latest available FPS reimbursement rules. The aim is to provide a consistent outcome for victims of APP scams across CHAPS and Faster payments, and consistent processes for CHAPS and FPS participants.

If you have any comments on these CHAPS reimbursement rules, please provide them to [chapsappfraud@bankofengland.co.uk](mailto:chapsappfraud@bankofengland.co.uk) by 5pm on 31 May 2024.

The intention of the Bank and the PSR is for the same effective date to apply as for FPS (7 October 2024) so that APP scam victims will get the same protection across both payment systems.

Notable differences include:

- Sending PSPs and Receiving PSPs should agree the payment system to be used for sending the Reimbursable Contribution Amount. Pay.UK require this to be via FPS.
- References to handling a 'hybrid' claim i.e. a claim with a mix of CHAPS and FPS payments.
- There are no references to updating a central claim record – instead, the CHAPS reimbursement rules refer to provision of information bilaterally between the Sending PSP and Receiving PSP. This may include use of the UK Finance Best Practice System.
- Reporting will be via email to the Bank directly initially rather than via Pay.UK's system. Reporting will initially be based on Reporting Standard A only.
- Confidentiality provisions have yet to be added. As a general principle, the Bank and PSPs are subject to a range of statutory and regulatory requirements around keeping customer information confidential, with confidential information disclosable to the extent required by applicable law or regulation such as if required or requested by a court, regulator, government authority, tax authority etc.

Unknowns remaining in the latest available draft of the FPS reimbursement rules include:

- The notification period for a Sending PSP to notify a Receiving PSP of a CHAPS APP scam claim (clause 4.1).
- The timeframe for the Receiving PSP to pay a portion of repatriated/recovered funds to the Sending PSP (clause 6.4).
- A list of reason codes for extending the five business day reimbursement timescale (clause 5.2.4).
- Compliance and monitoring – which the Bank will set out separately for CHAPS.

## **Reporting, monitoring and compliance**

The Bank will update the CHAPS rules in due course when Pay.UK's system includes functionality to integrate management of CHAPS APP scam claims as well as in relation to reporting, monitoring and compliance. In line with the PSR's direction, we anticipate this should be by 1 May 2025. To help PSPs understand the requirements, we have shared a draft of the CHAPS data standard as part of this document.

## **Draft CHAPS data standard, including reporting processes**

### **Introduction**

This document contains the CHAPS data standard and includes:

- Reportable metrics and data points under Reporting Standard A and Reporting Standard B.
- Reporting processes for Reporting Standard A and Reporting Standard B
- An assessment of proportionately.

This document should be read alongside the PSR's CHAPS Compliance Data Reporting Standard. The CHAPS APP scam rules also contain provisions requiring Directed PSPs to provide certain data and information.

Under Reporting Standard A, the PSR has proposed that PSPs must collate and retain all data and information contained within the CHAPS Compliance Reporting Data Standard, and report this information to the Bank as the operator of CHAPS. By this, the PSR means that all data under Reporting Standards A and B must be collated and retained from [7 October 2024] but only Reporting Standard A data needs to be provided to the Bank.

Reporting Standard B will apply from the point it becomes possible to extract information from the claim management system provided by Pay.UK, expected to be by [1 May 2025].

In developing this approach, we have also taken into account how PSPs organise themselves – typically a central fraud team, and the strong feedback that PSPs want a consistent set of processes.

### **KPI/measures**

The series of KPI/measures set out in the Reporting Standards cover – at PSP and claim level:

- Central reporting of claims.
- Assessment of claims by the Sending PSP.
- Interaction between Sending PSPs and Receiving PSPs including:
  - Sending PSPs sharing the assessment outcome.
  - Receiving PSPs paying the Reimbursable Contribution Amount.
- Reimbursement of Victims.

A **KPI** is an **absolute indicator** i.e. based on the information, a PSP has either achieved the reimbursement requirement or not. For example, where there is an upper limit specified as a number of days.

A **Measure** is a **relative indicator** of an outcome which is assessed relative performance over time (of a specific PSP overtime as well as relative to the wider PSP population). What 'good' looks like will be determined over time, to the extent it is practical to do so given very low volumes of CHAPS APP scams.

### **Reportable metrics and data points**

Reporting Standard A will apply from [7 October 2024], or as otherwise determined by the PSR according to [Specific Direction 21].

Reporting Standard B will apply from the point that Pay.UK's claim management solution includes CHAPS. Reporting Standard B includes a wider set of data points that can be extracted from Pay.UK's system once in use.

Data submitted by Directed PSPs under the Reporting Standards should not contain any Personally Identifiable Information relating to consumers/service-users of PSPs.

### **Reporting Standard A submission**

Reporting will be by calendar month, with reports due to be submitted by the last business day of the following month. The initial reporting period will, exceptionally, cover 7 October to 31 November 2024 and should be submitted by 2 January.

Reports should only include those where the assessment is complete and have not exceeded 35 business days at the end of the relevant calendar month.

From [7 October 2024], Directed PSPs should report using Reporting Standard A. This should be submitted on a spreadsheet monthly via email. PSPs will be asked to attest to the accuracy and validity of the data provided.

### **Proportionality**

PSPs in-scope for CHAPS and FPS will need to register and submit data to Pay.UK for FPS. Preparing the same data for CHAPS as well does not represent a disproportionate burden.

Reporting Standard A is a limited set of information. We consider the approach to be proportionate for CHAPS – in part due to the low volumes of CHAPS APP scams. A Sending PSP does not need to report if it has not had a CHAPS APP scam claim in the relevant month – limiting the burden on smaller firms who may only rarely, if ever, have a CHAPS APP scam claim.

Adoption of Reporting Standard B should be straightforward – and not pose an additional burden as it will be extracted directly from the claim management solution.

### ***CHAPS-only PSPs***

If there are any Directed PSPs who are CHAPS only, then we can – following discussion with the PSR – consider a model where these firms remain on Reporting

**CONSULTATION DRAFT – CHAPS reimbursement**

Standard A on a permanent basis. This would be tied to an assessment of whether they should sign up for the claim management solution, and reported volumes.

**Draft of Annex A to the CHAPS Reference Manual – CHAPS Reimbursement Rules**

**1. Introduction**

- 1.1. This Annex A to the CHAPS Reference Manual sets out the CHAPS reimbursement rules that the Payment Systems Regulator (the PSR), exercising its powers under section 54 of the Financial Services (Banking Reform) Act 2013 (FSBRA), has directed certain Payment Service Providers (PSPs) to comply with, alongside the CHAPS reimbursement requirement, under [Specific Direction 21].
- 1.2. From [7 October 2024] all Directed PSPs must comply with the CHAPS reimbursement rules, and [7 October 2024] is the effective date for this Annex A.
- 1.3. In accordance with sections 1.18 and 10.1 to 10.8 of the CHAPS Reference Manual this Annex A is incorporated into and forms part of the CHAPS Reference Manual.
- 1.4. All capitalised terms have the meanings given to them in the CHAPS Glossary of the CHAPS Reference Manual and in section 2 of Annex A. In the event of any conflict the CHAPS Glossary and section 2 of Annex A, the term shall be defined as per section 2 of Annex A.
- 1.5. The obligations set out in this Annex A are without prejudice to any conflicting obligations which directed PSPs has under other UK laws or regulations.
- 1.6. The CHAPS reimbursement requirement does not impact the Participant Default Arrangements, irrevocability, or finality of payments executed through the CHAPS system and in accordance with section 9 of the CHAPS Reference Manual.
- 1.7. For the avoidance of doubt, Indirect Access Providers are not responsible for those PSPs that they provide payment services to in the context of these CHAPS Reimbursement Rules.
- 1.8. Directed PSPs must make their contact information available to each other and work together on CHAPS APP scam claims.
  - 1.8.1. Some PSPs may interact with each other for the purposes of claim management through participating in a Claim Management Solution; this is applicable where both the Sending PSP and Receiving PSP are users of the same Claim Management Solution.
  - 1.8.2. All Directed PSPs must provide their contact details and any other information requested for inclusion in an APP Scam Directory.
- 1.9. All Directed PSPs must collect, retain, make available and report certain data in relation to the CHAPS reimbursement requirement as advised by the Bank.

**CONSULTATION DRAFT – CHAPS reimbursement**

This data is specified by the PSR in the CHAPS Compliance Data Reporting Standard. The Bank will share data received with the PSR.

- 1.10. Directed PSPs must submit this data to the Bank monthly via email using Reporting Standard A. In due course, this will be replaced by data that can be extracted from a Claim Management Solution using Reporting Standard B.

## 2. CHAPS Reimbursement Rules – Glossary

In this Annex A, the following words and expressions shall have the following meanings:

**Account controlled by the consumer** means a CHAPS relevant account that a consumer can access and make payments from. It is not sufficient to be in the consumer's name.

**Agent** [of the victim] means any claim management company or law firm.

**Authorised push payment** or **APP** means a consumer payment initiated by the Sending PSP in accordance with an authorisation given by its consumer.

**APP scam (authorised push payment scam)** means where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer's CHAPS relevant account to a CHAPS relevant account not controlled by the consumer, where:

- The recipient is not who the consumer intended to pay, or
- The payment is not for the purpose the consumer intended.

For the avoidance of doubt, if the consumer is party to the fraud or dishonesty, this is not an APP scam for the purposes of the CHAPS reimbursement requirement or the CHAPS reimbursement rules.

**APP Scam Directory** means a directory maintained by Pay.UK which contains contact details and other information as required for Directed PSPs. In time, this will be superseded by a Pay.UK-managed Claim Management Solution.

**Authorisation** for the purpose of the CHAPS reimbursement requirement, in the context of a payment means that the payer has given their explicit consent to:

1. The execution of the payment transaction, or
2. The execution of a series of payment transactions of which that payment transaction forms part.

**Business day** for the purposes of the CHAPS reimbursement requirement, means any day (period of 24 hours beginning at midnight) that is not a Saturday or Sunday, or a bank or public holiday in any part of the United Kingdom.

**CHAPS** means the regulated payment system designated by Order from the Treasury on 1 April 2015. It is the UK's high-value payment system and is operated by the Bank.

**CHAPS APP scam claim** means one or more CHAPS APP scam payments made as part of an APP scam and reported to the victim's PSP.

**CHAPS APP scam payment** means an APP, authorised by a victim as part of an APP scam, which has all the following features:

1. It is executed through CHAPS using a pacs.008 message.
2. It is authorised by a PSP's consumer.
3. It is executed by that PSP in the UK.
4. The payment is received in a CHAPS relevant account in the UK that is not controlled by the consumer.
5. The payment is not to the recipient the consumer intended, or is not for the purpose the consumer intended.

**CHAPS Direct Participant** means an entity which satisfies the CHAPS system access criteria as specified in the CHAPS Reference Manual and is admitted to participation in the CHAPS System by entering into a CHAPS Participation Agreement with the Bank.

**CHAPS reimbursement requirement** means the obligation conferred on Directed PSPs by the PSR under section 3 of [Specific Direction 21].

**CHAPS reimbursement rules** means any rules included in this Annex A of the CHAPS Reference Manual.

**CHAPS relevant account** means an account that is provided to a service user, is held in the UK and can send or receive payments using CHAPS, but excludes accounts provided by credit unions, municipal banks, Financial Market Infrastructure (FMIs) and national savings banks.

**Claim Management Solution** means the 'Best Practice System' provided by UK Finance, or as otherwise advised. In time, this is expected to be superseded by a Pay.UK-managed solution.

**Consumer** refers to service users of PSPs. These are individuals, microenterprises (enterprises that employs fewer than ten persons and have either an annual turnover or annual balance sheet total that does not exceed £2 million), or charities (a body whose annual income is less than £1 million per year and is a charity as defined by the Charities Act 2011, Charities and Trustees Investment (Scotland) Act 2005 or the Charities Act (Northern Ireland) 2008).

**Consumer standard of caution exception** is defined by the PSR in its publication: The Consumer Standard of Caution Exception.<sup>1</sup> Directed PSPs should also apply this for CHAPS APP scam claims, substituting 'FPS' for 'CHAPS' as appropriate.

**Directed PSP** means a PSP participating in CHAPS to which [Specific Direction 21 (CHAPS APP scam reimbursement requirement)] applies.

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<sup>1</sup> <https://www.psr.org.uk/publications/legal-directions-and-decisions/app-scams-reimbursement-specific-requirement-1-sr1-on-pay-uk/>



**Excess** means, for a CHAPS APP Scam Claim, £100. For a Hybrid APP scam claim, it is also £100.

**FPS** or **Faster Payments Scheme** is a regulated payment system designed by Order from the Treasury on 1 April 2015. It is operated by Pay.UK.

**FPS APP scam payment** means an APP, authorised by a victim as part of an FPS APP scam claim (as defined by Pay.UK as the operator of FPS), which has all of the following features:

1. It is executed through the Faster Payments Scheme.
2. It is authorised by a PSP's consumer.
3. It is executed by that PSP in the UK.
4. The payment is received in a relevant account in the UK that is not controlled by the consumer.
5. The payment is not to the recipient the consumer intended, or is not for the purpose the consumer intended.

**Hybrid scam claim** means one or more of CHAPS APP scam payments and one or more FPS APP scam payment made as part of an APP scam and reported to the Victim's PSP.

**Indirect Access Provider** means a Payment Service Provider (PSP) with access to CHAPS that has an agreement or arrangements with another person for the purpose of enabling that other person (the Indirect Participant) to provide services for the purposes of enabling the transfer of funds using CHAPS. For the avoidance of doubt, this intentionally differs from the definition of a 'CHAPS Indirect Access Provider' which is used elsewhere in the CHAPS Reference Manual.

**Maximum Claim Excess** means, for a CHAPS APP Scam Claim, £100. For a Hybrid APP scam claim, it is also £100.

**Maximum Reimbursement Amount** means, for a CHAPS APP Scam Claim or Hybrid APP Scam Claim, £415,000. For a Hybrid APP scam claim, it is also £415,000.

**Operator** means the Bank as the operator of the CHAPS payment system.

**Participant** has the same meaning as under s42(2) of FSBRA 2013.

**Payment System** has the same meaning as under section 41(1) FSBRA 2013.

**Payment Systems Regulator (PSR)** is the body corporate established under section 40 of FSBRA.

**Payment service provider** or **PSP** has the same meaning as under section 42(5) of FSBRA.

**Receiving PSP** means a PSP providing a CHAPS relevant account into which

APP scam payments are received.

**Reimbursable Amount** means the amount of compensation to be paid to a Victim by their Sending PSP.

- For a CHAPS APP scam claim, this amount is the Maximum Reimbursement Amount, less any Excess that the Sending PSP chooses to deduct. PSPs may not apply an Excess if the Victim was a Vulnerable consumer when they made a reimbursable CHAPS APP scam payment, and this had a material impact on their ability to protect themselves from the CHAPS APP scam.
- For a Hybrid APP scam claim, this amount is the Maximum Reimbursement Amount, less any Excess that the Sending PSP chooses to deduct. PSPs may not apply an Excess if the Victim was a Vulnerable consumer when they made a reimbursable CHAPS APP scam payment or FPS APP scam payment, and this had a material impact on their ability to protect themselves from the APP scam.

**Reimbursable CHAPS APP scam payment** means a CHAPS APP scam payment where the consumer standard of caution exception does not apply, the victim is not party to the fraud or claiming fraudulently or dishonestly to have been defrauded and the claim was made within the time limit set out in the CHAPS reimbursement rules.

**Reimbursable Contribution Amount** means the amount of compensation to be paid to a Sending PSP by a Receiving PSP, with respect to the value of a Reimbursable Amount.

**Repatriation** means where a Receiving PSP is able to detect, freeze and return funds transferred as part of a CHAPS APP scam payment.

**Sending PSP** means a PSP that provides a CHAPS relevant account for a consumer, from which one or more CHAPS APP scam payments were made.

**Service user** means a person who uses a service provided by a payment system and is not a participant in that payment system.

**Victim** means a consumer who has made one or more CHAPS APP scam payments.

**Vulnerable Consumer** has the same meaning as when the term is used by the FCA in its *Guidance for firms on the fair treatment of vulnerable customers*,<sup>2</sup> namely that a vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to harm – particularly when a firm is not acting with appropriate levels of care.

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<sup>2</sup> <https://www.fca.org.uk/publications/finalised-guidance/guidance-firms-fair-treatment-vulnerable-customers>

### 3. CHAPS reimbursement requirement and scope

#### Application

3.1. This Annex A applies to all Directed PSPs, regardless of whether they are a CHAPS Direct Participant, or not.

#### CHAPS reimbursement requirement

3.2. When a Victim reports a Reimbursable CHAPS APP scam payment to their Sending PSP, the Sending PSP must reimburse the Victim in full. This is the CHAPS reimbursement requirement.

#### Scope of the CHAPS reimbursement requirement

3.3. The CHAPS reimbursement requirement applies to all Reimbursable CHAPS APP scam payments executed after the implementation date. The implementation date set out by the PSR under [Specific Direction 21] is [7 October 2024].

3.4. If a Victim submits details of a CHAPS APP scam claim to their Sending PSP, the Sending PSP must pay the Reimbursable Amount, calculated under these CHAPS reimbursement rules, to the Victim within five business days of the Victim making a CHAPS APP scam claim to the Sending PSP, unless the Sending PSP exercises the 'stop the clock' provision set out in section 4 of this Annex A.

3.5. If a Sending PSP submits details of their payment of the Reimbursable Amount to the Receiving PSP, the Receiving PSP must pay the Reimbursable Contribution Amount, calculated under these CHAPS reimbursement rules, to the Sending PSP within five business days.

#### Exceptions to the CHAPS reimbursement requirement

3.6. PSPs are not required to reimburse any CHAPS APP scam payments where the Consumer standard of caution exception, set by the PSR and published on their website, applies.<sup>3</sup> This exception does not apply if the Victim was a Vulnerable Consumer at the time they made a CHAPS APP scam payment and this had a material impact on their ability to protect themselves from the scam.

3.7. Directed PSPs are not required to reimburse CHAPS APP scam victims above the Maximum Level of Reimbursement. The Maximum Level of Reimbursement applies to each CHAPS APP scam claim. If a Sending PSP reimburses its Consumer above the Maximum Level of Reimbursement, this will be considered a voluntary reimbursement. Such voluntary reimbursement is outside the scope of the CHAPS reimbursement requirement.

3.8. PSPs are not required to reimburse a CHAPS APP scam claim reported more than 13 months after the date of the final CHAPS APP scam payment

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<sup>3</sup> [APP scams reimbursement: Specific Requirement 1 \(SR1\) on Pay.UK | Payment Systems Regulator \(psr.org.uk\)](#).

of the claim. If a Sending PSP reimburses a claim reported more than 13 months after the final payment, this will be considered a voluntary reimbursement. Such voluntary reimbursement is outside the scope of the CHAPS reimbursement requirement.

### **Validating a CHAPS APP scam payment claim**

3.9. A CHAPS APP scam claim payment means a payment order authorised by a Victim as part of an APP scam which has all the following features:

1. It is authorised by a Victim who is (i) a customer of, and holds a payment account with, the Sending PSP and (ii) holds that payment account as a Consumer;
2. It is executed by the Sending PSP from a CHAPS relevant account located in the UK;
3. The resulting funds transfer is settled through CHAPS;
4. The payment is settled to a payment account located in the UK that is not controlled by the Consumer;
5. The payment is executed to the payment account identified in the Consumer's payment order to the Sending PSP, but:
  - a. that payment account is to the recipient the Consumer intended to receive the payment, or
  - b. the payment is for a purpose other than that intended by the Consumer.

3.10. A CHAPS APP scam claim payment is a Reimbursable CHAPS APP scam payment if the Sending PSP, having conducted an assessment, determines that:

1. the Consumer standard of caution exception does not apply, or the Victim was a Vulnerable Consumer at the time when the APP scam payment was authorised [and this had a material impact on their ability to protect themselves from the scam];
2. the Victim is not party to the fraud;
3. the Victim is not claiming fraudulently or dishonestly [to have been defrauded];
4. the Victim is not claiming for an amount which is the subject of a civil dispute or other civil legal action;
5. the Victim is not claiming for an amount which the Victim paid for an unlawful purpose; and
6. the CHAPS APP scam claim was reported no more than 13 months after the date of the final CHAPS APP scam payment of

the claim.

3.11. Sending PSPs shall:

1. collect notifications of reported CHAPS APP scam claims from its customers in accordance with clause 4.2;
2. assess each reported CHAPS APP scam claim to determine whether it is a Reimbursable CHAPS APP scam claim in accordance with clause 4.3; and
3. submit data on each reported CHAPS APP scam claim and the payment of each Reimbursable Contribution Amount in accordance with clause [4.14].

#### 4. Payment of the Reimbursement Amount

##### *Collection of CHAPS APP scam claims by Sending PSPs*

- 4.1. If a Sending PSP receives a reported CHAPS APP scam claim, the Sending PSP shall notify the Receiving PSP(s) by sharing the data under clause 4.2 within the notification period [TBD – will align with FPS].
- 4.2. The Sending PSP shall submit to the Receiving PSP(s) all of the following data which has been provided in the CHAPS APP scam claim reported by the Consumer:
  1. the sort code and account number of the account to which the payment(s) were executed, whether or not the Sending PSP has confirmed that such account is held in the UK with a Receiving PSP;
  2. the amount(s) of all CHAPS APP scam payment(s) reported in the CHAPS APP scam claim;
  3. the date and time at which the CHAPS APP scam claim was reported by the Consumer; and
  4. any other information received by the Sending PSP confirming or explaining that the payment was not made to the recipient intended by the Consumer or that the payment was received for a purpose other than that intended by the Consumer.

##### *Assessment of reported CHAPS APP scam claims*

- 4.3. When a Sending PSP is informed by the Victim of the details of the CHAPS APP scam claim, the Sending PSP is required, under the CHAPS reimbursement requirement, to assess the claim and pay any Reimbursable Amount to the Victim within five business days, except to the extent that such period is extended in accordance with clause 4.6 below.
- 4.4. If a Victim submits details of the CHAPS APP scam claim to their Sending PSP, the Sending PSP will assess the claim to determine whether the reported CHAPS APP scam claim is a Reimbursable CHAPS APP scam payment(s).
- 4.5. Sending PSPs may pause the five-business day reimbursement timescale set out under clause 4.3 by using the 'stop the clock provision' if it has asked for further information to assess the reported CHAPS APP scam claim.
- 4.6. Sending PSPs can only pause the five-business day reimbursement timescale for [one or more of] the following reasons:
  1. to gather information from the Victim(s) (or their Agent) or the Receiving PSP to assess whether the claim is a reimbursable CHAPS APP scam claim;
  2. to verify that an Agent is submitting a legitimate claim – for example,

## CONSULTATION DRAFT – CHAPS reimbursement

- validating that the Victim has authorised the Agent to submit a claim;
3. to gather additional information from a Victim to assess their vulnerability;
  4. the sending PSP has evidence of fraud on the part of the person who made the CHAPS APP scam claim;
  5. to gather additional information from the Receiving PSP;
  6. to gather additional information from law enforcement or other relevant parties; and/or
  7. for CHAPS APP scams involving multiple [Receiving] PSPs, to gather additional information from the other [Receiving] PSPs involved.
- 4.7. If the Sending PSP wishes to request and receive information from the Receiving PSP in accordance with clause 4.6 above, the Sending PSP must follow the method of communication advised by the Bank.
- 4.8. A Receiving PSP that receives a request from a Sending PSP to provide information in relation to a reported CHAPS APP scam claim must respond in a timely and accurate manner.
- 4.9. The five-business day period within which clause 4.3 must be complied with shall be deemed to continue from such time as the Sending PSP has received any information requested under clause 4.6 and does not need to request any further information from any party in order to determine whether the reported CHAPS APP scam claim satisfies the criteria of a Reimbursable CHAPS APP scam payment.
- 4.10. The Sending PSP may stop the clock as many times as necessary to complete its assessment of CHAPS APP scam claims. However, it must close the CHAPS APP scam claim before the end of the 35<sup>th</sup> business day following the reporting of the CHAPS APP scam claim by the Victim or their Agent to their Sending PSP.
- 4.11. The Sending PSP shall retain a record of each assessment.

### *Outcome of assessment*

- 4.12. If a Sending PSP assesses that a reported CHAPS APP scam claim satisfies the criteria of a Reimbursable CHAPS APP scam payment, it shall:
1. Inform the Victim of its decision, credit the relevant account which the Victim holds with the Sending PSP with the Reimbursable Amount, and (if appropriate) provide an explanation as to why the Reimbursable Amount is less than the total value of the APP scam claim.
  2. Submit a notification to the Receiving PSP that the reported CHAPS APP scam claim shall result in a request for payment, by the Receiving PSP, of

the Reimbursable Contribution Amount.

4.13. If a Sending PSP assesses that a reported CHAPS APP scam claim does not satisfy the criteria of a Reimbursable CHAPS APP scam claim, it shall:

1. Inform the Consumer that the reported CHAPS APP scam claim does not satisfy the criteria of a Reimbursable CHAPS APP scam claim and, to the extent permitted by law, provide a summary of the reasons for that decision; and
2. Submit a notification to the Receiving PSP, detailing the rejection of the claim, with an explanation of the reason(s) why the claim shall not result in any request for the payment of the Reimbursable Contribution Amount.

*Payment of the Reimbursable Amount*

4.14. If a Sending PSP assesses that a reported CHAPS APP scam claim satisfies the criteria for the payment of the Reimbursable Amount, it shall credit the value of the Reimbursable Amount to the payment account from which the CHAPS APP scam payment(s) occurred by no later than the end of the fifth business day (subject to any extension pursuant to clause 4.6) following the notification of the reported CHAPS APP scam under clause 4.1 above.

4.15. The value of the Reimbursable Amount to be credited to the Victim shall be the full value of the CHAPS APP scam claim up to the Maximum Level of Reimbursement, less any claim Excess imposed.

- i. Sending PSPs may apply a single claim Excess to each CHAPS APP scam claim, up to the Maximum Claim Excess value.
- ii. Sending PSPs may not apply a claim Excess if the Victim was a Vulnerable Consumer at the time when they made the CHAPS APP scam payment.



## 5. Payment of Reimbursement Contribution

5.1. If a Sending PSP has:

- a) paid the Reimbursable Amount with respect to a Reimbursable CHAPS APP scam claim in accordance with all relevant provisions of clause 4.12 above, and
  - b) provide the data listed in clause 5.2 to the Receiving PSP,
- the Reimbursable Contribution Amount shall become payable by the Receiving PSP.

5.2. A Sending PSP must provide, or otherwise make available, to the Receiving PSP:

1. confirmation that:
  - a) the Reimbursable CHAPS APP scam payment was executed through CHAPS by the Sending PSP from a payment account located in the UK;
  - b) the Reimbursable CHAPS APP scam payment was authorised by the Consumer of the Sending PSP;
2. the sort code and account number of the relevant account to which the CHAPS APP scam payment was received;
3. the date and time of the payment of the Reimbursable Amount to the Victim;
4. reason code [TBD] for extending the five-business day reimbursement timescale under clause 4.6, if applicable; and
5. the amount(s) of:
  - a) the CHAPS APP scam payment(s);
  - b) the Reimbursable Amount;
  - c) any deductions made pursuant to clause 4.15;
  - d) the Reimbursable Contribution Amount owed by the Receiving PSP;

5.3. The Sending PSP shall provide data to the Receiving PSP, in accordance with clause 5.2 above of the basis of its calculation of the Reimbursable Contribution Amount and as a substantiation of the claim for payment by the Receiving PSP.

5.4. The data standard will be specified by the Bank [through operational

guidance] and may vary from time to time.

*Payment of the Reimbursable Contribution Amount*

5.5. The Reimbursable Contribution Amount owed by the Receiving PSP shall be calculated, as follows as:

- 1) the lesser of:
  - a. 50% of the Reimbursable Amount paid by the Sending PSP to the Victim; or
  - b. the required Reimbursable Contribution Amount, if different.

5.6. If the Sending PSP chooses not to apply the Maximum Claim Excess value, the Receiving PSP may deduct 50% of the Maximum Claim Excess amount from the amount calculated under 5.5. Where there are multiple Receiving PSPs, the 50% to be deducted should be split in proportion to the APP scam payments each received.

5.7. The Receiving PSP must pay the Reimbursable Contribution Amount to the Sending PSP within five business days.

5.8. The Receiving PSP and Sending PSP should agree on whether this will be via CHAPS or FPS.

5.9. The Receiving PSP may decline to meet claims from the Sending PSP where:

1. The data/time of the claim precedes the date/time that the Sending PSP asserts it reached an assessment outcome and confirmation that the Victim has been reimbursed; and/or
2. the claim is not substantiated by data as per clause 5.2.

## 6. Repatriation of Victim's funds

- 6.1. If a Receiving PSP repatriates all or a portion of the funds transferred pursuant to a CHAPS APP scam payment and holds it subject to an obligation to disburse the funds back to the Sending PSP to reimburse the Victim, clauses 6.2 and 6.3 shall apply, subject to any alternative instructions received from a court, regulator, law enforcement or disputes body.
- 6.2. If the Sending PSP has not paid the Reimbursable Amount to the Victim, all repatriated funds shall be transferred by the Receiving PSP back to the Sending PSP to reimburse the relevant account of the Victim.
- 6.3. If the Sending PSP has paid the Reimbursable Amount to the Victim, the repatriated funds shall be apportioned as follows:
  1. to the Sending PSP, the Reimbursable Amount calculated under clause 4.15, minus the Reimbursable Contribution Amount calculated under clause 5.5.
  2. to the Receiving PSP, the Reimbursable Contribution Amount calculated under clause 5.6, not including any amount deducted under clause 5.6.
  3. any remainder to the Victim.
- 6.4. The Receiving PSP must calculate the amount of repatriated funds which are payable to the Sending PSP and, within [timescale TBD]:
  1. send the funds to the Sending PSP; and
  2. notify the Sending PSP of the value of repatriated funds and the calculation performed pursuant to clause 6.3 above.

**Reporting Standard**

This table sets out the Metrics for Reporting Standard A and B.

- Under Reporting Standard A, the table sets out which must be reported to the Bank, as the operator of CHAPS and which must be collected and retained (not reported) by in-scope PSPs.
- Under Reporting Standard B, the metric will be extracted from a designated Claim Management Solution.

Code	Metric	Sub-code	Data points	Theme	Approach under Standard A
<b>Of all the claims in the reporting period:</b>					
1.1	Total volumes and values of CHAPS APP scam claims reported by consumers that are deemed 'in scope' for assessment	1.1.1	Total volume of CHAPS APP scam claims that are deemed 'in scope' for assessment	APP Scam Claims Reported	Report
		1.1.2	Total value of CHAPS APP scam claims that are deemed 'in scope' for assessment		Report
1.2	Total volumes and values of CHAPS APP scam claims reported by consumers that are deemed 'in scope' for assessment, broken down by scam type:  (i) Purchase Scam (ii) Investment Scam (iii) Romance Scam (iv) Advance Fee Scam (v) Invoice and Mandate Scam (vi) Impersonation Scam: Police/Bank Staff (vii) Impersonation Scam: Other	1.2.1	Total volume of CHAPS APP scam claims that are deemed 'in scope' for assessment, broken down by scam type		Collect and retain
		1.2.2	Total value of CHAPS APP scam claims that are deemed 'in scope' for assessment broken down by scam type		Collect and retain
<b>Of the total CHAPS APP scam claims in the reporting period that are deemed "in-scope" for assessment:</b>					
2.1	Total volumes and values of CHAPS APP scam claims that are reimbursable	2.1.1	Total volume of CHAPS APP scam claims that are reimbursable	Claim Assessment	Report
		2.1.2	Total value of CHAPS APP scam claims that are reimbursable		Report
2.2	Total volumes and values of CHAPS APP scam claims that are not reimbursable	2.2.1	Total volume of CHAPS APP scam claims that are not reimbursable		Report
		2.2.2	Total value of CHAPS APP scam claims that are not reimbursable		report
2.3	Total volumes and values of CHAPS APP scam claims that are not reimbursable, with reason codes for rejection:	2.3.1	Total volume of CHAPS APP scam claims that are not reimbursable, with reason codes	Collect and retain	

Code	Metric	Sub-code	Data points	Theme	Approach under Standard A
	(i) Payments made before 7 October 2024 (ii) Payments made for unlawful purposes (iii) Payments which take place across other payment systems (Non-CHAPS payments) (iv) International payments (v) Civil disputes (vi) Claimant does not meet the definition of a consumer (vii) Payments do not meet the definition of an APP scam (viii) Consumer standard of caution (ix) Time limit for CHAPS APP scam claims (13 months) (x) First-party fraud	2.3.2	Total value of CHAPS APP scam claims that are not reimbursable, with reason codes		Collect and retain
3.1	Total volumes and values of CHAPS APP scam claims closed within five-business days	3.1.1	Total volume of CHAPS APP scam claims closed (from consumer reporting of the CHAPS APP scam claim to consumer reimbursement or claim rejection) within the five-business days	Timescales/Stop the Clock	Report
		3.1.2	Total value of CHAPS APP scam claims closed (from consumer reporting of the CHAPS APP scam claim to consumer reimbursement or claim rejection) within the five-business days		Report
3.2	Total volumes and values of CHAPS APP scam claims closed within 35-business days	3.2.1	Total volume of CHAPS APP scam claims closed (from consumer reporting of the CHAPS APP scam claim to consumer reimbursement) within 35-business days		Report
		3.2.2	Total value of CHAPS APP scam claims closed (from consumer reporting of the CHAPS APP scam claim to consumer reimbursement) within 35-business days		Report
3.3	Stop the clock usage per CHAPS APP scam claim with reason codes:  (i) to gather information from the victim(s) (or their agent) or the receiving PSP to assess whether the claim is a reimbursable CHAPS APP scam claim	3.3.1	For CHAPS APP scam claims, by reason code, the total number of times stop the clock is used		Collect and retain

Code	Metric	Sub-code	Data points	Theme	Approach under Standard A
	(ii) to verify that a claims management company is submitting a legitimate claim – for example, validating that the victim has authorised the company to submit a claim (iii) to gather additional information from a victim to assess their vulnerability (iv) in cases where the sending PSP has evidence of fraud on the part of the person who made the CHAPS APP scam claim, to gather additional information from the receiving PSP, law enforcement or other relevant parties (v) for multi-step scams, to gather additional information from the other PSPs involved	3.3.2	Total volume of CHAPS APP scam claims where stop the clock is used at least once		Collect and retain
4.1	Total volume and value of CHAPS APP scam claims where the sending PSP informed the receiving PSP of the claim within the notification period	4.1.1	Total volume of CHAPS APP scam claims where the sending PSP informed the receiving PSP of the claim within the notification period as defined in the CHAPS reimbursement rules	Inter-PSP Communication	Report
		4.1.2	Total value of CHAPS APP scam claims where the sending PSP informed the receiving PSP of the claim within the notification period as defined in the CHAPS reimbursement rules		Report
4.2	Total volume and value of CHAPS APP scam claims where the receiving PSP responded to information requests from the sending PSP in a timely and accurate manner, as defined by Pay.UK	4.2.1	Total volume of CHAPS APP scam claims where the receiving PSP responded to information requests from the sending PSP in a timely manner		Collect and retain
		4.2.2	Total value of CHAPS APP scam claims where the receiving PSP responded to information requests from the sending PSP in a timely manner		Collect and retain
5.1	Total volume and values of CHAPS APP scam claims where consumer standard of caution exception is applied	5.1.1	Total volume of CHAPS APP scam claims rejected as the consumer standard of caution exception was applied		Report
		5.1.2	Total value of CHAPS APP scam claims rejected as the consumer standard of caution exception was applied		Report
5.2	Total volumes and values of CHAPS APP scam claims where the consumer standard of caution exception is applied, with reason codes:  (i) The requirement to have regard to interventions (ii) The prompt reporting requirement (iii) The information sharing requirement (iv) The police reporting requirement	5.2.1	Total volume of CHAPS APP scam claims where the consumer standard of caution exception is applied, with reason codes	Exceptions	Collect and retain
		5.2.2	Total value of CHAPS APP scam claims where the consumer standard of caution exception is applied, with reason codes		Collect and retain

Code	Metric	Sub-code	Data points	Theme	Approach under Standard A
5.3	Total volumes and values of CHAPS APP scam claims where the value of the claim is above the maximum level of reimbursement (£415,000)	5.3.1	Total volume of CHAPS APP scam claims where the value of the claim is above the maximum level of reimbursement		Collect and retain
		5.3.2	Total value of CHAPS APP scam claims where the value of the claim is above the maximum level of reimbursement		Collect and retain
6.1	Total volumes and values of CHAPS APP scam claims where an excess was applied	6.1.1	Total volume of CHAPS APP scam claims where an excess was applied	Excess	Collect and retain
		6.1.2	Total value of CHAPS APP scam claims where an excess was applied		Collect and retain
7.1	Total volume and value of CHAPS APP scam claims from consumers assessed as vulnerable	7.1.1	Total volume of CHAPS APP scam claims where the consumer was identified as vulnerable	Vulnerability	Report
		7.1.2	Total value of CHAPS APP scam claims where the consumer was assessed as vulnerable		Report
8.1	The total volume of CHAPS APP scam claims reimbursed and value of reimbursement to consumers	8.1.1	Total volume of CHAPS APP scam claims that are reimbursed to the consumer	Rate of Reimbursement	Report
		8.1.2	For CHAPS APP scam claims, the total value reimbursed to the consumer		Report
9.1	Total volumes and values of CHAPS APP scam claims where the sending PSP received the reimbursable contribution amount within the timeframe specified in the CHAPS reimbursement rules (5 business days)	9.1.1	Total volume of CHAPS APP scam claims where the sending PSP received the reimbursable contribution amount within the timeframe specified	Apportionment - Reimbursable Contribution	Report
		9.1.2	Total value of CHAPS APP scam claims where the sending PSP received the reimbursable contribution amount within the timeframe specified		Report
9.2	Average time taken for the reimbursable contribution amount to be paid by the receiving PSP to the sending PSP	9.2.1	For CHAPS APP scam claims, total time taken by the receiving PSP to pay the reimbursable contribution amount to the sending PSP		Collect and retain
		9.2.2	Total volume of CHAPS APP scam claims where the sending PSP informed the receiving PSP of the reimbursable contribution amount		Collect and retain
9.3	Total volume and value of CHAPS APP scam claims where the PSP has repatriated funds	9.3.1	Total volume of CHAPS APP scam claims where receiving PSP has repatriated funds in the reporting period	Apportionment - Repatriated Funds	Collect and retain

Code	Metric	Sub-code	Data points	Theme	Approach under Standard A
		9.3.2	Total value of CHAPS APP scam claims where receiving PSP has repatriated funds in the reporting period		Collect and retain
9.4	Total value of repatriated funds for CHAPS APP scam claims	9.4.1	Total value of repatriated funds for CHAPS APP scam claims		Collect and retain
9.5	Proportion of CHAPS APP scam claims where the repatriated value has been apportioned between the sending and receiving PSP in line with the policy	9.5.1	Total volume of CHAPS APP scam claims where repatriated funds have been apportioned between the sending and receiving PSP, in the reporting period		Collect and retain
		9.5.2	Total volume of CHAPS APP scam claims where receiving PSP has repatriated funds in the reporting period		Collect and retain