The Payments Community Roundtables

The Secretariat held a series of roundtables on the 2 and 3 May 2017 to provide an update on progress of the Forum's work to date and seek the Community's feedback.

As on previous occasions, the roundtables were held for three groups in the Payments Community: End Users, Payment Service Providers and Technology and Infrastructure providers and was attended by over 80 different organisations.

Presenters from across the working structure provided updates on:

- An overview of the Forum's work since the publication of its Strategy

- The NPA Design Hub

  o Work Stream 1 - User requirements and rules

  o Work Stream 2 - NPA Design and Transition

  o Work Stream 3 - Implementation and Cost Benefit analysis

- The Financial Crime, Data and Security Working Group

The Community were generally supportive the Forum's progress to date, but some common questions were raised which have been summarised in this paper. Those that weren't dealt with during the discussions are captured as actions in Annex 1. These will be progressed by the NPA Design Hub and the Financial Crime, Security and Data Working Group.

End Users:

- spent the majority of the session discussing 'Request to Pay', focusing on unintended consequences arising from scenarios such as refusal of payment, changes in legal status of Corporates using Request to Pay and a real-time solution exacerbating issues of incorrect payment request.
- raised questions about 'Assurance Data' such as the interdependencies required from data sharing parties, privacy concerns and the potential role this could play in increasing financial crime.
- were keen to understand when the 3 solutions might come to market.

Payment Service Providers:

- asked if any independent research was available to support the demand for the three End-User solutions, and if not, is the Forum confident demand exists
- asked if the unintended consequences of 'Request to Pay' had been considered and documented, examples used were potential burdens on the payee if a request is left unfulfilled, the impact of inaccurate information and the associated liability models
- asked when specifications for solutions would be made available to enable to Fin Tech companies and other business's to start developing new products.
- discussed how regulators were working together to support the Strategy's Financial Crime proposals, and the need for alignment with sanctions data checking in addition to the implementation of End User solutions.

Technology and Infrastructure Providers:

- sought clarification of the definition of 'New Payments Architecture' and discussed how exactly it will enhance competition and how regulatory challenges such as PSD2 could create barriers to the solutions.
- enquired if sufficient time available pre the July consultation to carry the necessary design work
- discussed the 'Confirmation of Payee' solution and challenged whether the response should be Y/N or a full name check as is provided by PayM
- asked for more engagement with government on teaching about cybercrime in schools, more consideration on how non-banks could become involved in data-sharing initiatives and noted that consideration should be given to asking for SARs to not only be shared, but also submitted in the most relevant territory.

Annex 1 – Actions arising

Actions for NPA Design Hub
• Clarify in documentation that NPA refers to a 'structural framework' for the future of payments provision • Consider if there enough time available to complete relevant design work • Consider making documentation available through open source platforms allow stakeholders the opportunity to comment on an on-going basis
Actions for WS1 – User Rules and Requirements
• Consider Community request for independent research that supports the demand for the three end user solutions Request to Pay • Consider if the payer is unable able to pay and requests an extension or new payment plan, would this result in the closure of the first RTP and the opening of a new one, or would the first request to pay extend to capture the new arrangement? • Consider if accepting a new payment agreement could make the Payee a credit provider and if acceptance of a pre-payment could make the payee a deposit taker? • Consider how the principle of real-time extends and works with non-real time payment methods, such as Direct Debit • Consider if customers can delegate authority to a 3rd party to take money from their account, such as a Direct Debit Confirmation of Payee • Consider if it is it better to provide a Y/N response than a full name check for fraud reasons
Actions for WS2 – NPA Design and Transition
• Consider in more detail where and how competition will exist in the various layers • Consider if TPPs have to be compelled to join the registry and if not, what this means for the proposed design of the NPA • Consider if TPPs re-registering every 90 days under PSD2, will act as barrier to take-up of Request to Pay
Actions for WS3 – Implementation and CBA
• Provider clarification on when the Forum expects to see the three EUN solutions come to market • Provide clarification on when the plans; specifications etc. will be made available to allow Fintechs / TPPs to start to develop products and services • Address the fact that the implementation timeline dates do not align for CoP

Actions for Financial Crime, Security and Data working group

- Engage with the government on e-crime education in schools
- Consider including liability insurance in the IDVA document
- Follow up Thompson Reuters data sharing initiative with EY
- Consider should how non-banks such as ASPs can become involved in data sharing
- Further consider recommendations to share SARs more widely, or change the reporting so it happens in the regulator of the country where the activity is taking place

Annex 2 - Attendees

Age UK
Allpay
Altus
American Express
Bacs
BancTec Ltd
Bank of America Merrill Lynch
Barclaycard
Belfast Bankers' Clearing Co Ltd
BFC Bank
Bottomline Technologies Europe
British Bankers Association
British Gas
British Retail Consortium
BT
Cheque and Credit Clearing Company
Citibank
Citizens Advice Bureau
Clydesdale Bank PLC
Cogeco Peer1
Cognizant
Confederation of British Industry
Coventry Building Society
Department for Work and Pensions
Direct Line Group
Dovetail
DP Connect
EBA Clearing SAS
Ebury
EPAM
EquensWorldline
Experian
Fast Encash Money Transfer Ltd
Faster Payments Scheme Limited
Financial Services
Finarchy
Fire
FIS
FSCom Limited
Go Cardless
Government Banking
HiFX Europe Limited
HM Revenue & Customs
HM Treasury
HSBC
IBM
IRIS Software Ltd
Krubera Group
Lloyds Banking Group
Mastercard
Microgen

Modulr
Money Advice Service
My Pin Pad
National Pawnbrokers Association
Neyber
Northern Trust
Payfriendz
Paym
Payments UK
PayPal
Paypoint
Paysafe Group plc
Prepaid International Forum
Raphaels Bank
Reward
Royal Bank of Scotland
Sentenial Ltd
SETL
Societe Generale
Swift
Talking Fox
Tax Incentivised Savings Association
TechUK
The London Institute of Banking & Finance
The UK Cards Association
Thomson Reuters
Transpact.com
Turkish Bank UK
University of Greenwich
Vanquis Bank
Virgin Money
VocaLink
Volante Technology
WL Payments Consultancy
Zephyre