

Second reporting cycle – H1 2023 and H2  
2023

## Reporting guidance

APP scams Measure 1

Data collection and  
publication

December 2023

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# 1 Introduction

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The majority of this guidance is for PSPs who are required to report and publish APP scams data, under Specific Direction 18.

This document also provides general guidance to receiving PSPs, including sponsors, regarding the process that we want them to follow, relating to the collection and publication of performance data about APP scam funds received (See Chapter 5: Metric C process).

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## Background

- 1.1** Authorised push payment (APP) scams are a major problem in the UK. We want to prevent APP scams happening in the first place and also protect people who fall victim to them.
- 1.2** We want PSPs to publish performance data on APP scams, to better inform consumers and to place reputational incentives on PSPs to improve their performance – both in terms of scam prevention and better reimbursement of victims.
- 1.3** Specific Direction 18 sets out our data collection, reporting and publication requirements for the 14 sending PSPs that we have directed. It includes the following:
  - Scope (paragraph 3.1).
  - Requirements for preparing and publishing information (paragraphs 3.2 and 3.4).
  - Key definitions (section 4).
  - Further definitions (section 15 – Interpretation).
- 1.4** There are three metrics, A, B and C, for which data will be collected:
  - **Metric A:** The proportion of reported APP scam losses that are reimbursed.
  - **Metric B:** Sending PSPs' APP scam rates, as a measure of scam incidence at the PSP.
  - **Metric C:** Receiving PSPs' APP scam rates (not including any money that has been returned to the victims).
- 1.5** This document contains guidance to help PSPs provide us with the correct data and any additional information that we may need. This is to ensure that PSPs provide us with high quality information that is relevant and accurate, and that PSPs are consistent in the reporting of the data – both between PSPs and across the reporting periods.
- 1.6** We may provide updated guidance and additional requirements from time to time.
- 1.7** This document supports Specific Direction 18 by providing more detail, and the specific direction takes precedence where there is any conflict.

## 2 Objective and principles

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This chapter sets out the overarching objective and principles for reporting and publication of APP scams data by PSPs.

In making choices about how to report, directed participants should firstly seek to achieve the objective, and secondly follow the principles set out in this section.

PSPs should provide accompanying explanations, commentary, and details of any departures.

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### Objective

#### PSR policy objective

**2.1** We want to see a reduction in APP scam losses incurred by consumers, both through preventing scams and ensuring that consumers are appropriately reimbursed. We expect the reporting and publishing of APP scams data to achieve this by:

- giving consumers and stakeholders information to help them choose or switch between PSPs
- giving PSPs reputational incentives to improve their performance, through the interest taken by key stakeholders including journalists, consumer groups, government, and investors

#### PSP objective

**2.2** The purpose of a PSP reporting and publishing APP scams data is to allow consumers and other stakeholders to assess its performance objectively, fairly and accurately.

**2.3** We anticipate that once the reimbursement requirements for firms are introduced, the collection of data on Metric C may be replaced by a fuller process for checking information between sending and receiving parties to support the liability split between sending and receiving PSPs. In addition, Metric A and B data may be collected by Pay.UK in the future.

### Principles

**2.4** PSPs should follow the principles below, in the order of priority shown, when they collect, prepare, report and publish their APP scams data.

- **Achieving the objective:** A PSP's reporting of and publication of APP scams data should aim to achieve the PSP objective.
- **Objectivity:** The basis of reporting should be a robust methodology that aims to provide a realistic representation of the performance of a PSP in relation to APP scams and does not favour a particular outcome or conclusion.

- **Completeness:** All relevant transactions and data should be reported. We do not expect to see that certain periods of data have been excluded for any reason – for example, due to the presence of significant outliers. Instead, we expect all instances to be included in the data that is reported, with explanations for any anomalies.
- **Accuracy:** All relevant transactions and data should be accurately reported. There were significant delays in cycle 1 that were caused by some PSPs submitting incorrect/inconsistent data, often more than once, to the PSR. PSPs should take utmost care in preparing accurate data for submission and set up internal checks and processes to assure the quality of the data. This includes the requirement for assurance of the data by the chief financial officer (CFO). This will ensure that fewer resources are invested in identifying inaccuracies and working to resolve these. It will also avoid having to re-submit the data to the PSR on multiple occasions.
- **Comparability between PSPs and consistency between reporting periods:** Consistency between PSPs regarding their basis of reporting and publication should facilitate comparisons of their performance with other PSPs. As far as possible, the basis of preparation should remain the same over time. Exceptionally, where the basis of preparation has been changed (versus the one used in the previous period), the nature of the change should be clearly explained and the reason for the change justified. The PSP should also estimate the impact of this change on the results for the current period (by comparing results on the old and new bases), with confidence levels in this estimate.
- **Fairly represents:** The reporting and publication of APP scams data should fairly represent the performance of the PSP.
- **Transparency:** The methodology used should be readily available to the PSR and easily explained.
- **Materiality:** The standard for judgements concerning the appropriate precision of reporting, the inclusion or exclusion of data, the use of suitable estimates, the disclosure of any concerns and any other reporting issue, should be whether it would affect the views of the users of Metrics A, B and C and any interpretations or conclusions that they might draw from the results.

## Accompanying explanations

**2.5** Summarise and describe the basis of data preparation and any assumptions made.

**2.6** PSPs must also provide commentaries to the PSR:

- on the main themes of their results and variations compared with the previous period; this will help us to understand their performance
- on data preparation, flagging any issues regarding the process of preparing the data

- 2.7** Directed PSPs, where they are able to, should also provide information to help receiving PSPs. This could either be a redacted or a non-confidential version of the data commentary provided to the PSR, which would then be passed on to receiving PSPs when sharing their data with them. This would help receiving PSPs understand their data, and why differences may have arisen between their own view of results and that provided by the directed PSP.
- 2.8** Although we do not expect to publish commentaries extensively, we may publish some elements or all of the information in a non-confidential commentary, where we believe that it may be helpful to the understanding of readers of the data. We will engage with firms to finalise wording ahead of publication. This is explained in more detail in Chapter 3.
- 2.9** If PSPs have concerns about how the guidance in this document applies to their data, they should note and explain them.
- 2.10** If a PSP encounters a conflict between the objective and the principles, or a conflict between the different principles, the PSP should apply the hierarchy of principles to resolve this and note and explain their decision.
- 2.11** An example of such a conflict could be whether to report a new type of scam developed by scammers (or one that has not been explicitly defined in the past by the PSR). In a strict interpretation of the completeness and accuracy principles, a PSP might seek to exclude such a scam from their reporting on the basis that the scam had not been defined by the PSR in advance – thereby improving their apparent performance under Metric B. However, this might conflict with the objectivity principle if the substance of this new type of scam exhibits all the characteristics of an APP scam, even though it had not been pre-defined as falling within the scope of a scam. By excluding such a new type of scam, the PSP would be favouring an outcome that presented its performance as being better. And it would be in conflict with the objectivity principle, having wrongly given higher priority to the completeness and accuracy principles (which feature lower in the hierarchy) over the objectivity principle (which features higher in the hierarchy).
- 2.12** If a PSP departs from the objective, principles, or other aspects of the reporting guidance, they should note and explain this. Provide an estimate of the impact, together with an indication of the confidence level in this estimate.
- 2.13** If a PSP is unable to provide an element of the data or there is uncertainty about its quality, the PSP should note and explain this. Provide an estimate of the impact of this omission or uncertainty, with an indication of the confidence level in this estimate. However, we would expect such instances to be rare and usually not material.
- 2.14** A PSP should contact us in writing, at the earliest opportunity if they anticipate any difficulty implementing any part of this guidance or may need to depart from it, along with proposals to mitigate this.

# 3 Reporting

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This chapter sets out our detailed reporting guidance.

It sets out the scope of the data to be reported, followed by the basis of reporting. And it provides guidance around what is a reportable APP scam and the cases included/excluded.

It sets out the reporting treatments that directed PSPs should adopt. It confirms the treatment of reimbursements and recoveries, both of which are key to the calculation of Metrics A and C. It also clarifies the treatment of a number of issues raised during our stakeholder engagement. The PSR expects to revise this guidance over time, as more issues become apparent.

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## Reporting periods and submission deadlines

**3.1** Our second data collection covers both half-years of 2023:

- 1 January to 30 June 2023 (H1 23).
- 1 July to 31 December 2023 (H2 23)

**3.2** The deadline for the submission of the initial submission is 16 February 2024.

**3.3** See Annex 1 for full details of the timetable for the second reporting cycle (cycle 2).

## Scope

**3.4** The scope of the data we require is as follows:

- **Volume and value:** PSPs must provide data on both the volume of APP scams and consumer payments that took place in each period, as well as the value of the APP scams and consumer payments in the same period.
- **Faster Payments and on-us transactions only:** PSPs should only report data for Faster Payments and not for any other payment system. However, we want on-us transactions to be in scope and PSPs should include them, even where they do not go over Faster Payments (see paragraphs 4.14 to 4.15 for a definition of on-us transactions). Cases and payments across multiple payment systems, such as CHAPS, Bacs and Faster Payments, must be disaggregated, so that the Faster Payments APP scam and payment transactions can be isolated.
- **Primarily consumer data:** While the focus of our work remains on consumer APP scam cases, consumer APP scam payments and consumer payment transactions, we also require PSPs to submit data on total payment transactions (sent from any account including both consumer and business accounts) to aid in our disaggregation of sponsor banks' scam data (see paragraph 4.9 for our definition of 'consumer' and paragraph 4.30 for our definition of 'total payment transactions'). We do not require information on non-consumer APP scam cases and non-consumer APP scam payments.

- **Group reporting for Metrics A & B:** PSPs should report their results for Metrics A and B in aggregate for their group. However, they should exclude non-ring-fenced banks from the results for their group.
- **Individual PSP reporting, Metric C:** For Metric C, directed PSPs should report receiving PSP performance by individual PSP, not by group. Receiving PSPs are defined uniquely (for the purposes of reporting under Specific Direction 18) by their short bank names and individual sort codes, at the level of the Extended Industry Sort Code Directory (EISCD). We explain the treatment of sponsor and agency banks later in this guidance, at paragraphs 3.64 to 3.70.
- **Within the UK only:** We are only gathering data on UK APP scams and UK payment transactions. We exclude scams and payments with a non-UK receiving PSP. Crown Dependencies are also out of scope. Some PSPs and their sort codes within Faster Payments relate to international transactions or Crown Dependencies and should therefore be excluded. (This is consistent with key policy number 1 in our policy statement PS23/2, *Fighting authorised push payment fraud: a new reimbursement requirement* (June 2023)<sup>1</sup>, where such transactions are excluded from the requirement to reimburse).
- **Non-loss cases** – that is, cases where a scam has been prevented – **should be excluded**. This is also consistent with UK Finance reporting.
- **Open banking payments (payment initiation service transactions):** Payment initiation services are within scope, in line with our reimbursement requirements.<sup>2</sup>

## Definition of a reportable APP scam and courses of conduct included and excluded

- 3.5** In our cycle 1 reporting guidance<sup>3</sup>, in March 2023, we referred to the definition of a reportable APP scam in Specific Direction 18 and provided some preliminary guidance around that. The context for this was the reporting of performance for the first cycle of data and, in particular, achieving consistency between PSPs as to how they report their data.
- 3.6** In June 2023, we published PS23/2, setting out our new reimbursement requirement. In Chapter 2 of that document, we confirm the definition of an APP scam and provide some further guidance (together with more information on payment initiation service transactions in Annex 2). The definition of an APP scam is unchanged from cycle 1. However, our earlier guidance is replaced by the guidance in the June 2023 policy statement.
- 3.7** As far as possible, we want our reporting for cycle 2 to be consistent with the new reimbursement requirement. We see the data collection and publication as preparing the way for this requirement and the reporting related to it, which will ultimately replace the data reporting that this guidance covers.

1 PS23/2, [Fighting authorised push payment fraud: a new reimbursement requirement](#) (June 2023), page 6, Table 1.

2 PS23/2, paragraphs 2.14, 2.18 and 2.19, and Annex 2.

3 [Reporting guidance. Final version: first reporting cycle – half-years Jan-Jun 22 and Jul-Dec 22](#) (March 2023).



**3.8** We are therefore intending to align the definitions used for 'reportable APP scams' with those used in the proposed requirement on Pay.UK and proposed direction to participants in Faster Payments. In July and September, we consulted on these directions.<sup>4</sup> The definitions are reproduced below.

**3.9** In our consultation (CP23/4), we said:

*APP scam case means a fraudulent act, or a fraudulent course of conduct, that leads to one or more APP scam payments.*

*APP scam payment means a payment instruction, made as part of an APP scam, which has all the following features:*

- 1. It is executed through Faster Payments.*
- 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 an account in the UK that is not controlled by the consumer.*
- 5. The payment is not to the recipient intended by the consumer or the payment is for a purpose other than that intended by the consumer*

*Receiving PSP means a PSP providing a payment account into which APP scam payments are received.*

**3.10** In essence, the definitions in the legal instruments that we consulted on include:

- a. any payment made using Faster Payments from a payment account in the victim's control to one outside the victim's control  
and exclude:
- b. payments to accounts still in control of the victim, even if a scammer also has control of them

**3.11** There are some grey areas or cases where the exact stage at which control passes from the victim to the scammer is difficult to identify precisely and we intend to make these consistent for reporting under cycle 2 and for the reimbursement requirement.

**3.12** As an example, payments from a victim's payment account to another payment account where they have control are out of scope for reimbursement and for reporting. These transactions are sometimes referred to as 'me-to-me' payments, such as transactions to payment accounts at crypto exchanges, payments to joint accounts held in common with the scammer, payments to accounts which the scammer has coached the customer to open but to which they still have access.

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<sup>4</sup> PS23/4, [A new reimbursement requirement, Faster Payments APP scam reimbursement rules and operator monitoring](#) (July 2023).

- 3.13** However, some 'me-to-me' payments may also be in scope for reimbursement and reporting under certain circumstances. For example, to accounts with the same name or identity as the payer's account which have been fraudulently set up by the criminal – without the payer's involvement - or for which the payer no longer has control, are in scope.
- 3.14** As a final example, payments to payment accounts which are not banking accounts, such as pre-paid cards and credit cards are in scope if the card account is not in the control of the victim. This could include payment cards or credit cards opened by a criminal either in the name of the victim or someone else.
- 3.15** These examples help to clarify whether a case meets the criteria to be a Reportable APP Scam however there will be other examples. In each case it is best to use the definition of APP Scam Payment to determine whether a payment is reportable or not.
- 3.16** We are aware of several areas where we could develop more specific guidance to help PSPs. We will do this as part of the implementation of the reimbursement requirement and will keep stakeholders updated.
- 3.17** We are also aware of some differences of interpretation between different PSPs, in particular between directed PSPs and receiving PSPs. We are considering this and we will issue further guidance if needed.

## Reporting process and data templates

- 3.18** In the first stage of reporting (see Metric C process below), directed PSPs should report receiving PSP data to us at the granularity level of the Short Bank Name. (The Short Bank Name is a term used in the EISCD; see paragraphs 3.62 and 3.63 for more information.) Using the same EISCD list will help with consistency of reporting between directed PSPs and will help the PSR to process data efficiently and quickly at the aggregation stage of Step 2.
- 3.19** At steps 1 and 7, directed PSPs should submit the entirety of 2023 data segmented by H1 and H2 in the same Excel file. This allows for analysis of trends in the data across the year. Please use the data collection template published alongside the reporting guidance for filling in the sending PSP data.
- 3.20** At Step 4, directed PSPs may need to provide a more granular breakdown of results to receiving PSPs. Such granular data may, for example, make use of the Short Branch Title and sort code, within the EISCD, to uniquely identify receiving PSPs. More granular data may also assist sponsor PSPs in preparing disaggregated results for their indirect PSPs, should they wish to, and submitting it to us at Steps 5 and 8.
- 3.21** We have worked with PSPs to develop a set of data fields that should be completed when sharing further data. See the heading 'Data fields and template – for checking' in Chapter 5 and Annex 3. Firms should use the updated data fields template published alongside this guidance.

## Basis of reporting

- 3.22** Specific Direction 18 (paragraph 5.2) defines the basis of reporting as follows:
- a. A **consumer payment** is deemed to be made in a reporting period if the payer's instruction to their PSP to make the payment is given in that reporting period.
  - b. An **APP scam case** is deemed to occur in a reporting period if the directed PSP has closed the APP scam case during that reporting period.
  - c. An **APP scam payment** is deemed to be made in a reporting period if the directed PSP has closed the APP scam case relating to that payment during that reporting period.
  - d. An **APP scam recovery** is deemed to be made in a reporting period if the directed PSP has received the funds during that reporting period. Note that this is irrespective of whether the APP scam case that the APP scam recovery relates to, was closed, and reported in a previous reporting period.

## Explanation of Metrics A, B and C

- 3.23** PSPs must capture data for:
- **Metric A:** The proportion of APP scam losses that are reimbursed.
  - **Metric B:** Sending PSPs' APP scam rates, as a measure of scam incidence at the PSP.
  - **Metric C:** Receiving PSPs' APP scam rates (not including any money that has been returned to the victims).

### Metric A

- 3.24** Metric A requires PSPs to provide data on the value of reimbursement provided, as well as the number of cases that were fully reimbursed, partially reimbursed, or not reimbursed at all.

### Metric B

- 3.25** Metric B requires PSPs to provide data on the number of APP scam payments that were sent through Faster Payments, as well as on-us transactions that were reported as APP scams. PSPs are also required to report the value of APP scams that they sent.

### Metric C

- 3.26** Metric C requires directed PSPs to provide data on the number of consumer APP scam payments that they sent and were received by other PSPs, as well as the value of these APP scam payments, in relation to each receiving PSP. Unlike Metrics A and B, which apply only to the 14 directed participants, for Metric C all receiving PSPs are potentially in scope (see paragraph 3.31).
- 3.27** For cycle 2, PSPs are also required to submit data on total payment transactions (sent from any account including both consumer and business accounts) to aid in our disaggregation of sponsor bank's scam data (see paragraph 4.30 for our definition of 'total payment transactions'). We do not require information on non-consumer APP scam cases and non-consumer APP scam payments.

- 3.28** For the **value** version of Metric C, recoveries should be netted against the value of APP scam payments for each receiving PSP. This is to recognise the efforts of the receiving PSP in recovering the proceeds of crime.
- 3.29** However, for the **volume** version of Metric C, for pragmatic reasons, we have decided to report Metric C ignoring any recoveries.
- 3.30** The denominator (that is, what the scam data is compared to) for Metric C rates is the number or value of consumer payments (depending on whether the volume or value version of the metric is being calculated).
- 3.31** When reporting consumer payments, PSPs should include all receiving PSPs to which they sent at least one consumer payment. Even if a PSP did not send any scams to a receiving PSP, the PSP should still include them in the reporting for consumer payments, provided that they sent at least one payment to them. The rationale for this is that, across all the directed participants, there may be some PSPs who have sent scams to a particular receiving PSP, even if others have not. To correctly reflect the total volume of consumer payments sent to that particular receiving PSP, we need to aggregate consumer payments across all the directed participants, even if for some directed PSPs there were no scams contained within these consumer payments.

## Additional breakdown – by category of APP scams

- 3.32** We request a breakdown of certain data by APP scam type. The categories required are as follows:
- **Invoice and mandate:** The victim attempts to pay an invoice to a legitimate payee, but the criminal intervenes to convince the victim to redirect the payment to an account they control.
  - **CEO scam:** The scammer manages to impersonate the CEO or other high-ranking official of the victim's organisation to convince the victim to make an urgent payment to the scammer's account.
  - **Impersonation (police/bank):** The criminal contacts the victim purporting to be from either the police or the victim's bank and convinces the victim to make a payment to an account they control.
  - **Impersonation (other):** The criminal claims to represent an organisation such as a utility company, communications service provider or government department and convinces the victim to make a payment to an account they control.
  - **Investment:** In an investment scam, a criminal convinces their victim to move their money to a fictitious fund or to pay for a fake investment.
  - **Advance fee:** The scammer convinces their victim to pay a fee that they claim would result in the release of a much larger payment or high-value goods.
  - **Romance scam:** The victim is persuaded to make a payment to a person they have met online (often through social media or dating websites), and with whom they believe they are in a relationship.

- **Purchase scam:** The victim pays in advance for goods or services that they never receive. These scams usually involve the victim using an online platform such as an auction website or social media.
- **Unknown type:** This category is provided for completeness, where an APP scam cannot be attributed within the above categories.

## Commentaries: performance

- 3.33** We are considering providing communication to accompany the publication of the final results. This may include explaining how the data was compiled, how to interpret the metrics, the context of commercial developments and the types of scams evolving during the reporting period, and commentary on the relative performance of PSPs.
- 3.34** In support of this communication, we require directed PSPs to submit to us short commentaries on their performance. This will also have the benefit of encouraging those preparing the data to consider the meaning and reasonableness of their results, and how they have arisen.
- 3.35** Since this is the second reporting cycle, PSPs will be able to comment on how their performance has changed since the first cycle.

### Timing

- 3.36** Sending PSPs must submit commentaries to us at Step 1 and Step 7. For a subset of PSPs, we may also request more specific commentary on performance, after we have shared their rankings with them and prior to publication of the final results.
- 3.37** If they would like to, receiving PSPs can submit commentaries to us following the submission by the sending PSP of their final results at Step 7. (See also *General guidance for PSPs* in Chapter 5).

### Content of commentaries

- 3.38** Commentaries should be a maximum of 500 words (in a Word document).
- 3.39** PSPs may choose the most relevant content to present. The content may include (but is not limited to):
- performance versus the previous period
  - reasons for increases and decreases in APP scam levels
  - comments on their performance
  - trends in consumer payments, volumes and values of scams, and types of scams
  - actions taken during the reporting period to improve scam prevention and reimbursement of victims
  - actions taken after the close of the reporting period to improve scam prevention and reimbursement of victims

## Commentaries: data preparation

**3.40** At Steps 1 and 7, in addition to the commentary on performance above, directed PSPs should also provide a short commentary on their data preparation, along with their submissions. This commentary is for PSR internal use only, to help with processing the submissions, and is not intended for publication. The commentary should be no more than 1,000 words (in a Word document).

**3.41** In terms of content, PSPs should highlight:

- any unusual results
- significant difficulties encountered in preparing the data
- areas of uncertainty or concern or where they would like to carry out further work to increase their confidence about the data
- any other significant observations regarding the preparation of the data

### Information to help receiving PSPs at Step 3

**3.42** At Step 1, we expect directed PSPs, where they are able, to provide the PSR with a redacted/non-confidential version of the data preparation commentary to be shared with the receiving PSPs.

**3.43** This will assist receiving PSPs in understanding sending bank data and deciding whether to raise challenges, and should reduce unnecessary requests for further information at Step 3.

## Reimbursements and recoveries

### Definitions

**3.44** In this section, we set out our reporting approach for reimbursements and recoveries. See Chapter 4 for the definitions of 'reimbursement' and 'recovery'.

### Metric A

**3.45** In reporting Metric A, you must capture the following value data (as well as similar volume data):

- the case value
- the value reimbursed

**3.46** We recognise that, in some instances, cases will be closed before recoveries have been received. In this instance, report the position of the case on its closure and any recoveries made in that period. Report any subsequent recoveries within the reporting period when the recovery is received.

## Worked example 1: Value – partial recovery across two periods

**3.47** In this example, we discuss a hypothetical case/claim with a value of £100. For illustrative purposes, we assume a share of the liability that is 60:40<sup>5</sup> between the sending PSP and the customer.

**3.48** We also assume that the funds are partially recovered during the second half-year reporting period.

Therefore, upon case closure in Half-year 1, the sending PSP reimburses 60% to the customer.

	Case value	Value reimbursed
Half-year 1	£100	£60

During the second half-year, a recovery of £70 is received from the receiving PSP.

	Case value	Value reimbursed
Half-year 1	£100	£60
Half-year 2	£0	£40
Total	£100	£100

**Note:** The remaining £30 of the £70 recovered may be used by the sending bank to reduce its loss – although this does not form part of our reporting here.

## Metric C

**3.49** As explained at paragraph 3.29, for the volume version of Metric C we have decided to ignore recoveries as a simplification in calculating the **volume** version of Metric C. However, recoveries must still be netted in the calculation of the **value** version of Metric C.

**3.50** There are two principal reasons to simplify the volume calculation. Firstly, some receiving PSPs are unable to provide a breakdown of their recoveries by APP scam case or by APP scam payment. They may simply provide a bulk figure for recoveries to each sending PSP. Secondly, even if a recovery can be matched against an individual APP scam payment (and thus identify an instance of full or partial recovery), there are methodological complications in suitably reflecting these recoveries in the final value of Metric C calculated.

**3.51** To reflect a partial recovery more accurately in the **volume** calculation of Metric C, we would need to give some weighting to it (since it does not constitute one full recovery instance) – or alternatively split the Metric into two sub-categories: net of full recovery and net of partial recoveries. Such an approach could over-complicate the compilation and presentation of the Metric.

<sup>5</sup> Note: We have deliberately chosen numbers in our example, for illustrative purposes, using an asymmetrical split between the PSP and the customer. This is to provide added clarity. In practice, the split may often be symmetrical (that is, 50:50).

- 3.52** Nevertheless, we believe that reporting a crude **volume** version of Metric C – without netting off any recoveries – will still yield some useful insight, over and above simply considering the **value** version of Metric C (which can be calculated net of recoveries).

## Additional points

### **Inaccuracies, where cases straddle half-years**

- 3.53** Where a case straddles two half-years, the aggregate position over time will not be visible or reported.
- 3.54** This is an inaccuracy and an approximation that we accept. We do not propose going back to earlier periods to restate them, since this would over-complicate reporting.
- 3.55** In many cases, this will not be a material issue. Many recoveries will happen within the same six-month reporting period, particularly since a successful recovery usually happens within a relatively narrow window of time.
- 3.56** However, for smaller PSPs (whether directed participants or receiving PSPs in the case of Metric C) with fewer scam cases, a large scam case, with recovery straddling the period end, could distort results more significantly. If this issue affects a directed PSP's results, they should note it in their commentary.

### **Metric A volume measure: Reporting reimbursement cases with multiple payments**

- 3.57** For the Metric A volume measure, PSPs should report any case that involves multiple transactions and a partial reimbursement, on a case basis.
- 3.58** This means that, where a reimbursement of a whole transaction occurs within a case of multiple transactions, report this as a partial reimbursement case unless **all** the transactions comprising the case were fully recovered (in which case, it would be reported as a fully reimbursed case).

### **Liability share arrangements are excluded from recoveries**

- 3.59** Recoveries should only include funds that the receiving PSP has successfully sought from the scammer, or a further PSP, to whom the funds had previously been transferred.
- 3.60** Funds transferred from the receiving PSP to the directed PSP, as the result of an arrangement to share liability, should therefore be excluded from recoveries – since this does not reflect a receiving PSP retrieving the money from its destination. Similarly, fund transfers resulting from future regulations or legislation providing for a liability share, such as our APP scam reimbursement proposals, should also be excluded from recoveries.

### **Bank loss refunds should not be included in recoveries**

- 3.61** Do not report any money you refund to customers at your own cost as recoveries (although refunds will be recognised elsewhere via reporting of the reimbursement).



## Detailed reporting guidance

### EISCD list

- 3.62** During cycle 1, one of the major hurdles when analysing data submissions was the use of different EISCD lists by different PSPs. In order to rectify this issue for cycle 2, we are proposing that all directed PSPs use the EISCD list that is live on 31 December 2023 for their data submissions. The PSR will also confirm and send this list to PSPs in early January 2024 to ensure everyone is working with the same EISCD list.
- 3.63** However, it should be noted that if a sort code has closed during the reporting period, it will not be on the EISCD list on 31 December 2023. PSPs are therefore expected to still look back against cached versions of the EISCD to identify the PSP owner of the 'missing' sort code to enable accurate reporting.

### Sponsor banks and agency banks

- 3.64** For the purposes of preparing Metric C, we want to be able to distinguish between APP scams and payment transactions a sponsor PSP receives on behalf of its own customers' accounts, and those it receives on behalf of an agency PSP's customers' accounts. However, there are currently practical limitations on the amount of detail available regarding the end recipient.
- 3.65** Directed PSPs should provide data to us at the level of the Short Bank Name, in the first instance, at Step 1 (as explained above at paragraphs 3.18 and 3.19). This will allow us to aggregate the results at Step 2. And we will identify totals for sponsor PSPs through this process.
- 3.66** Subsequently, sponsor PSPs, where they are able to, should disaggregate their results by indirect PSPs. If they are disaggregating, they may request more granular information from directed PSPs at Step 3, to assist sponsors in disaggregating. For example, more granular information might include the Short Branch Title and sort code. Directed PSPs are required to provide this information to receiving PSPs at Step 4.
- 3.67** Sponsor PSPs should engage with their indirect PSPs at the earliest opportunity after Steps 2 and 4, in order to provide them with details of their scam receipts and enable them to challenge this data with the relevant Directed PSPs should they wish to.
- 3.68** Sponsor PSPs should provide the PSR with a provisional disaggregated list of indirect PSPs and their results in Step 5. The data will only be provisional at this stage, since sponsor PSPs and directed PSPs will not have concluded the checking process until Step 7.
- 3.69** Sponsor PSPs should provide the final list of indirect PSPs and their results to us at Step 8. We also confirm the above process in Chapter 5.
- 3.70** Where receiving PSPs are indirect PSPs that do not have their own unique sort code, receiving PSPs that are sponsor banks may, in addition, provide a more granular breakdown of APP scams received and payment transactions received, where possible, to the PSR. Such a breakdown should distinguish between receipts on behalf of sponsor banks themselves and on behalf of agency banks.

## Financial Ombudsman Service rulings

**3.71** Any reimbursements related to Financial Ombudsman Service (FOS) rulings **have to be reported to the PSR**. We will not include FOS data within the overall reimbursements, and we do not intend to report this data. However, we want to gather it to ensure it is being excluded consistently from Metric A calculations across PSPs.

**3.72** PSPs should report the FOS reimbursements only in the 'FOS reimbursement' segmentation and not also in the other three segmentations (<£1k, £1k to £10k, >£10k). This to prevent double counting of FOS data in the overall statistics.

### Scope of FOS reimbursements

**3.73** This includes but is not limited to:

- Reimbursements resulting directly from cases that the FOS has reviewed.
- Reimbursements resulting from a subsequent review of cases by a directed participant following guidance issued by the FOS.
- Reimbursements resulting from a PSP's own review for cases being investigated by the FOS prior to FOS ruling.

**3.74** Please note this is not an exhaustive list. Relying on principles outlined in section 2.4, PSPs should mark any reimbursement as a FOS reimbursement if they believe it to have occurred as a result of being either directed by the FOS or being influenced by the FOS.

### FOS decision and the reporting period

**3.75** FOS reimbursements should be reported in the period the case was closed by the PSP. For example, if a case was closed in H1 but was referred to the FOS in H2, it should be reported in reporting period H1.

**3.76** Similarly, if a case was completed outside the reporting period but the FOS outcome was received in the reporting period, the case should not be included in the submission as it was closed internally outside the reporting period.

### Partial FOS reimbursements

**3.77** If a PSP partially reimburses a customer before the case goes to the FOS and the FOS then rules to fully reimburse the customer, this should be recorded as two partial reimbursements. One partial reimbursement should be recorded as being in one of three segmentations (<£1000, £1k-£10k, >£10k) in the data template and the other should be recorded as a FOS partial reimbursement. The FOS partial reimbursement will be excluded from the overall reimbursement statistics for the respective PSP during our analysis but must be reported to the PSR.

## Non-loss transactions and scams prevented

**3.78** Do not report any **potential** APP scam where there is no loss to customers (that is, the APP scam was prevented before it could happen).

**3.79** However, this does not mean that PSPs should exclude APP scams where customers notify the bank of the scam and then the funds are subsequently fully recovered.

## Cases on multiple payment systems

- 3.80** In some instances, for example for a significant, long-running scam case, cases may take place across a number of different payment systems, such as Faster Payments, Bacs and CHAPS. In such cases, involving different payment systems, you should only submit data relating to transactions taking place on Faster Payments.
- 3.81** You should disaggregate the case value so that it only reflects the transactions taking place on Faster Payments and not the whole reported scam case value.

## On-us transactions

- 3.82** On-us transactions should be included in data submissions (that is, push payment transactions between two account holders within the same PSP group).
- 3.83** Depending on a PSP's commercial arrangements, these payments may pass either externally via Faster Payments or internally as a book transfer. This does not affect relevance and PSPs should include these transactions in reporting regardless.
- 3.84** In addition to reporting the total consumer payments (external transactions plus on-us), where on-us transactions pass via an internal book transfer, rather than externally via Faster Payments, PSPs should also provide details of on-us consumer payments, via a separate memorandum line in the data collection template. This information will assist us when checking results against Pay.UK reporting on Faster Payments transactions.

## Should small businesses and charities be included in the reporting?

- 3.85** We define 'consumer' in paragraph 15.5 of Specific Direction 18.
- 3.86** The definition that we use for 'consumer' also includes small businesses and small charities and references their turnover as one factor in establishing whether they are within the scope of reporting here.
- 3.87** PSPs will need to periodically carry out a turnover check for their small business and small charity customers, to determine whether they should be considered to be consumers and included in the data submission.
- 3.88** In their accompanying explanations, PSPs should explain what are the procedures that they have followed, and their frequency, in order to satisfy themselves that small entities fall within the definition for reporting APP scams.
- 3.89** For reasons of practicality, a PSP may use their existing classification of 'consumer' or the equivalent term, that they use in their own reporting, where this is unlikely to yield results that differ materially from those expected to be generated by our definition.
- 3.90** In such a case, the PSP should clearly explain what their definition of 'consumer' in the accompanying explanations is and provide details of how they have concluded that this approach does not lead to results that would materially differ from using the definition in Specific Direction 18.

## Practical requirements

### Secure transmission of data files to the PSR

- 3.91** PSPs should take steps to ensure that data is transmitted securely to the PSR.
- 3.92** PSPs may contact the PSR if they have any difficulties or concerns regarding security and encryption, and we will work with them to find a suitable solution.

## 4 Definitions

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The definitions here supplement the definitions set out in Specific Direction 18.

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### Specific Direction 18

- 4.1** Specific Direction 18 takes precedence over this document. We include only definitions that are supplemental to the specific direction here.

### Supplemental definitions

#### Agency bank or agency PSP

- 4.2** An indirect PSP that may or may not have its own sort code provided by its indirect access provider.

#### Bacs

- 4.3** The regulated payment system used to make payments directly from one bank account to another. Primarily used for direct debits and direct credits from organisations.
- 4.4** The Bacs payment system is operated by Pay.UK.

#### CHAPS

- 4.5** The UK's real-time, high-value, regulated payment system, where payments are settled over the Bank of England's Real Time Gross Settlement (RTGS) system.
- 4.6** The CHAPS payment system is operated by the Bank of England.

#### Directed participant

- 4.7** A directed participant is a PSP subject to the requirements of Specific Direction 18.

#### Consumer

- 4.8** The definition of 'consumer' is set out in Specific Direction 18 under Section 15.5.
- 4.9** PSPs may use their existing classification of consumer or the equivalent term, used for their own reporting, where this is not expected to yield results that differ materially from those expected to be generated by the above definition (see paragraph 3.88 to 3.89).

## Contingent Reimbursement Model Code (CRM Code)

- 4.10 An industry code that sets out the standards expected of PSPs when an APP scam occurs.
- 4.11 The Lending Standards Board (LSB) oversees the Code and its members.

## EISCD

- 4.12 The Extended Industry Sort Code Directory.<sup>6</sup>

## FSBRA

- 4.13 The Financial Services (Banking Reform) Act 2013.

## On-us

- 4.14 On-us transactions refer to transactions between one account holder and another account holder, within the same group.<sup>7</sup> These transactions may pass over the internal systems of a directed PSP or may pass externally via Faster Payments. In the case of an on-us transaction, the sending PSP and the receiving PSP would be part of the same group (that is, the directed participant).
- 4.15 The term 'on-us' may be applied to both payments and APP scams.

## Recovery

- 4.16 Funds recovered by the receiving bank and returned to the sending bank in relation to an APP scam. These are returned to the customer via the sending bank in the first instance.
- 4.17 Recoveries only refer to funds (being the proceeds of crime) obtained by the receiving bank from the scammer or one of the banks in the onward chain of payment departing from the receiving bank.
- 4.18 To be clear, where there is a payment by the receiving bank to the sending bank as part of an agreement to share liability, to share the costs of reimbursing the customer, or as a result of a legal or regulatory requirement, this payment should not be included. (However, as explained in paragraph 4.17, any element obtained from the scammer or a bank in the onward chain may be included).
- 4.19 We need recoveries to calculate the **value** version of Metric C, where they are netted off against APP scam funds received by receiving PSPs. This is to recognise the efforts of receiving PSPs in recovering the proceeds of crime.
- 4.20 Recoveries may also occur at a later date, after a case has closed.

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6 Available here: [www.vocalink.com/tools/extended-industry-sort-code-directory/](http://www.vocalink.com/tools/extended-industry-sort-code-directory/), last accessed on 8 September 2022.

7 This is consistent with the definition already used for Confirmation of Payee (CoP) quarterly template reporting to the PSR (see 'Guide' tab, Section B, Note 10).

## Reimbursement

- 4.21** Reimbursement represents the total monies that have been given back to the customer to reduce or eliminate their loss from the APP scam.
- 4.22** It doesn't matter through what process these monies were obtained: any money going back to the customer to reduce their loss should be recognised.
- 4.23** Reimbursement may include (but is not limited to) refunds and goodwill gestures from the sending bank or receiving bank, recoveries, liability shares from the receiving bank and payments from the receiving bank as a result of a legal or regulatory requirement.
- 4.24** While monies given back to the customer following a FOS ruling must be reported to the PSR, they will not be included in the overall reimbursement figures as explained in paragraph 3.71.
- 4.25** The reimbursement cannot and should not exceed the initial case value. Therefore, any excess funds would not be reported under reimbursement (though they may be used by the sending bank to reduce any bank loss that it has incurred).

## Reporting guidance

- 4.26** The reporting guidance refers to this document and the guidance contained within it.
- 4.27** The reporting guidance is one example of the guidance referred to in the specific direction (see paragraphs 3.2 to 3.4 of the specific direction).

## Specific Direction 18

- 4.28** Specific Direction 18 was issued on 23 March 2023, to 14 directed participants. It sets out the legal requirements for reporting APP scams data to the PSR and refers to this reporting guidance within its requirements (see paragraphs 3.2 to 3.4 of the specific direction).
- 4.29** The content of Specific Direction 18 takes precedence over the content of this guidance document.

## Total payment transactions

- 4.30** Total payments transactions refer to the volume and value of all transactions (both via Faster Payments and on-us) sent from any account (including both business and consumer accounts) to any account (including both business and consumer accounts) at any receiving PSPs.

## 5 Metric C process

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The 14 directed sending payment service providers (PSPs) and receiving PSPs should work together to validate Metric C data. We consulted on a new approach in December 2022 and, following cycle 1, we have made revisions to the process.

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### An opportunity for receiving PSPs to check the data

- 5.1** Sending PSPs should in all cases notify the receiving PSP of a scam as soon as is practicable after it is reported to them. Any process of validation should be supplementary to this notification.
- 5.2** Receiving PSPs whose data may be eligible for publication are **not required** to validate all their Metric C data with sending PSPs. However, a receiving PSP has the **opportunity to obtain and check** its data from the sending PSP before it is published. A receiving PSP may request a breakdown of its data from the sending PSP. Receiving PSPs should limit their challenge where it would have a material impact to their results. We have set this threshold at 5%. The sending PSP is required to assist receiving PSPs in providing the information to help them in checking.
- 5.3** Subsequently, a receiving PSP may make a request, **supported by evidence**, to a sending PSP to amend its submission. The sending PSP will need to conduct its own investigation, and it will be for the sending PSP to decide whether to make a revision before re-submitting the revised data to us.
- 5.4** The sending PSP is required to provide transparency to the PSR about any challenges from receiving PSPs and their decisions to amend the data as a result. The PSR has the opportunity to review such decisions at the end of the process, before finalising the data to be published.

### The process for Metric C

- 5.5** Figure 1 sets out the process for Metric C. Further details regarding some aspects are set out in the section that follows Figure 1.



Figure 1: The Metric C process

1	First PSR reporting day	The 14 directed sending PSPs to submit Metric C data on receiving PSPs to the PSR.	Fri 16 Feb 2024
2	Aggregation and shortlist of 25 firms	The PSR aggregates total results for each receiving PSP and shortlists the 25 worst-performing firms by absolute value and volume. These 25 firms are notified and provided with their Metric C data broken down by each of the 14 sending PSPs.	Tue 27 Feb 2024
3	Receiving PSPs optionally challenge data with sending PSPs	Deadline for receiving PSPs to check data and request from sending PSPs: <ul style="list-style-type: none"> <li>• a full transactions file/detailed supporting data</li> <li>• evidence/breakdowns, in particular regarding frauds</li> </ul>	Tue 12 Mar 2024
4	Sending PSPs provide requested transaction-level data	Deadline for sending PSPs to provide breakdown of fraud at transaction level to receiving PSPs.	Tue 26 Mar 2024
5	Sponsor PSPs submit provisional disaggregated indirect PSP data to the PSR	Receiving PSPs who receive funds on behalf of indirect PSPs (sponsor PSPs) should provide a provisional breakdown of their results by each indirect PSP itself to the PSR.	Thu 11 Apr 2024
6	Receiving PSPs request changes	Deadline for receiving PSPs to submit requests for revision to sending PSPs supported by reasons and, where possible, evidence.	Mon 22 Apr 2024
7	Final PSR reporting day	Sending PSPs evaluate the evidence provided and amend data where appropriate. They then resubmit the data, accompanied with explanations and supporting evidence of any changes to the PSR. <b>The sending PSPs must also communicate any changes made to the data to the respective receiving PSPs, especially sponsor banks.</b>	Tue 21 May 2024
8	Sponsor PSPs submit final disaggregated indirect PSP data to the PSR	Sponsor PSPs should submit final disaggregated indirect PSP data to the PSR, incorporating any changes made by sending banks.	Mon 3 Jun 2024
9	PSR publishes APP fraud report	Published information will be drawn from the data of the final 20 most significant PSPs, by both value and volume. Receiving PSPs whose data will be published in our report will be notified ahead of publication.	Jul 2024

## Details of the process

**5.6** In the section below, we provide further details of the Metric C process.

### We select firms and compile final lists for publication

**5.7** Once the 14 directed sending PSPs have given us their data, (including data for receiving PSPs identified at the Short Bank Name level), we will identify which PSPs may ultimately be included in the Metric C publication. We will prepare two shortlists of 25 firms (the specified receiving PSPs) – one for volume and one for value. We will base this on PSPs that receive the largest absolute amounts of scams (not rates of scams). This will ensure the biggest impact through our intervention.

**5.8** We will write to directed PSPs and the specified receiving PSPs, informing them who is on the lists. We will give each specified receiving PSP a copy of its Metric C data, aggregated across all the directed PSPs, together with a breakdown by individual directed PSP.

**5.9** The 25 specified receiving PSPs have the opportunity to check their data (being two lists of 25 – one for volume and one for value). This is because some firms will fall on the boundary between being in the top 20 or outside it. However, once the data is finalised, we will be more confident of the exact cut-off and will narrow the lists to final selections of 20 for publication.

**5.10** Across both lists, the total number of firms concerned may exceed 25, since there may be some differences between the two lists.

**5.11** At the end of the Metric C process, we will publish the two final lists of 20 firms, one by volume and one by value. We will advise directed PSPs of what needs to be published. We will inform those receiving PSPs that are included on the final list before publishing.

**5.12** As a result of the checking and revision of data under the Metric C process, the shortlist (based on absolute levels of scams received) of PSPs may change. Indeed, some PSPs may even leave the shortlist, while others may be added to it. In particular, where a sponsor PSP chooses to disaggregate its data by indirect PSPs (and the PSR accepts this disaggregation), this may lead to the sponsor's own absolute levels of scam receipts falling outside the shortlist. In this case, the sponsor may exit the shortlist. However, where a sponsor exits, this may lead to other receiving PSPs (which could include indirect PSPs, where they have significant absolute levels of scam receipts) entering the shortlist.

### Timelines and reporting periods

**5.13** Cycle 2 will cover both H1 2023 and H2 2023. We will require PSPs to prepare data between February 2024 and June 2024, and we intend to publish the second cycle of data in July 2024 (see Annex 1).

## Contact list

- 5.14** To assist receiving and sending PSPs contacting each other during the checking process (from Step 3 onwards), we have compiled a list of contact details for the PSPs involved. We have asked PSPs to provide a nominated contact, perhaps from within their fraud or data analysis teams, who is responsible for the Metric C process. Where possible, we also provide a secondary contact, as a back-up. It is the PSP's responsibility to ensure that they keep the PSR updated if there are changes to their nominated contact.

## Data-sharing agreements

- 5.15** By necessity, the Metric C process means both sending and receiving PSPs must share data. This data may be aggregated to varying degrees, or it may be the underlying transaction data (including personal data). Such data may be subject to data protection requirements, including the General Data Protection Regulation (GDPR).<sup>8</sup> This data may need to be shared and held securely, and destroyed after a suitable period.
- 5.16** During cycle 1, directed PSPs worked on a pragmatic basis to establish bi-lateral data-sharing agreements, or took other steps to mitigate the risks.
- 5.17** For the second and potential future cycles, the PSR does not intend to develop and agree a single, industry-wide data-sharing agreement.
- 5.18** We have set out the relevant legal and regulatory requirements, including the objective and powers, in Specific Direction 18.<sup>9</sup> See in particular, paragraphs 1.4, 2.4 and 7.2.

## Data fields and template – for checking

- 5.19** At Step 4 of the process, sending PSPs must supply data to receiving PSPs, in response to their request to check the data. Throughout the remainder of the process, both sending and receiving PSPs may be exchanging data iteratively, as they seek to check the results. There are benefits in standardising this process:
- receiving PSPs receive at least the minimum amount of data necessary to check their data
  - a single set of data fields and formats are used, to simplify the processing of that information
  - where a sending or receiving firm is dealing with data relating to multiple firms, it can automate the process by reference to a standard format of spreadsheet (rather than having to adapt to many different formats if each firm uses a different approach)
- 5.20** To aid this process, we have set out a standard set of data fields (See Annex 3) and a standard data checking Excel template (published alongside this guidance).
- 5.21** We have mandated the key data fields. For other data fields, we have suggested these, but they are optional since not all firms may have data relating to these fields.

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8 [www.gov.uk/data-protection](http://www.gov.uk/data-protection)

9 [Specific Direction 18](#) published March 2023.

- 5.22** For the template, it is important that firms avoid making any changes where possible or keep these to a minimum. This will make it easier for PSPs to automate the processing of this data upon receipt, since they can specify their routines against a standard template.
- 5.23** The guiding principle for PSPs providing data via these data fields and templates is that, as a minimum, they should provide enough data to uniquely identify the transaction concerned. The systems and the data fields used vary amongst PSPs. However, providing the Faster Payments transaction ID or sort code and account number should be sufficient to uniquely identify the transaction.
- 5.24** Where there is a request by the recipient PSP on any specific payments due to reconciliation difficulties, information that the sending PSP holds that would constitute optional data should be given to the recipient PSP. This should be dealt with on a case-by-case basis, not a blanket request for more information of all APP scams from any sending institution.

### Disputes between sending PSPs and receiving PSPs

- 5.25** To ensure that the Metric C data remains relevant when published, we want to avoid lengthy delays before publishing the results. As such, we expect sending and receiving PSPs to work together and avoid protracted discussions on the accuracy of the data. Receiving PSPs should be reasonable and judicious when challenging data. Therefore, they should limit their challenge to only the relevant sending PSPs and the transactions that were material to their concerns.
- 5.26** To keep the checking process balanced, receiving PSPs should only make one request to each sending PSPs for their results to be altered. Sending PSPs can then consider all the information as a whole. It is therefore in the receiving PSPs' interests to provide all the relevant information at the time they make their request to the sending PSPs.
- 5.27** This does not prevent two-way discussions and exchanges of information between the parties, before the receiving PSPs make their request for changes to the sending PSPs.

### Threshold for challenges to the data by receiving PSPs

- 5.28** Directed PSPs are only required to consider challenges from receiving PSPs where they lead to a material change in their data. (See paragraphs 7.2(c) and 7.4 of Specific Direction 18). And therefore, receiving PSPs should only request changes where they are above this threshold.
- 5.29** We set the threshold here in this guidance. The level is a 5% change.
- 5.30** Specifically, the 5% change relates to a change in any of the items of information listed under the receiving-PSP information, at paragraph 6.2(b) of Specific Direction 18.
- 5.31** **Example:** the directed PSP states that the total value of APP scam payments it has sent to the receiving PSP is £100. If the receiving PSP submits a claim to the directed PSP, backed by evidence, that the true value was only £94, then the directed PSP must consider this claim. This is because the change is greater than 5% of the original value. However, if the receiving PSP claims that the value was £98, then the directed PSP is not required to consider the claim. This is because the change is less than 5% of the original value.

## Receiving PSPs should provide clear reasons for challenge

- 5.32** During cycle 1, some directed PSPs indicated that at Step 3 of the Metric C process, when some receiving PSPs were requesting data, they did not always explain why they were challenging the data.
- 5.33** We have therefore introduced an additional requirement for receiving PSPs to set out the grounds for their challenge when they are requesting further data from the directed PSP at Step 3 of the process. For example, a receiving PSP might state that its data differs by more than 5% from the data supplied by the directed PSP, and that therefore their difference is above the materiality threshold for challenges. In this case, the receiving PSP should confirm its calculation by stating the value of the data that it is expecting from its own records – and how it has calculated that this exceeds the 5% materiality limit.
- 5.34** Where sponsor PSPs are seeking additional information from directed PSPs, in order to allow them to disaggregate their results across their indirect PSPs, there is no need for them to provide a justification to directed PSPs. Disaggregation is an integral part of the process. Directed PSPs should endeavour as a minimum to provide enough information to identify transactions, so that sponsors can promptly provide a provisional disaggregation at Step 5.

## Indirect PSPs

- 5.35** Many receiving PSPs are not direct participants in Faster Payments. These indirect PSPs (also known as ‘agency banks’ or ‘agency PSPs’) access Faster Payments via an indirect access provider (IAP) intermediary that is a direct participant (also known as a ‘sponsor bank’ or ‘sponsor PSP’). Therefore, fraudulent transactions may be passed through the sponsor bank to the ultimate recipient PSP.
- 5.36** The business model adopted by sponsor PSPs can vary. Some may offer both indirect sort code access and indirect account access. Indirect sort code access is where the indirect PSP has its own sort code and will issue its own account numbers to its customers. Indirect account access is where the indirect PSP receives all the funds into one sort code and account number, then allocates payments using internal systems. Some PSPs may use a mix of these two models.
- 5.37** For Metric C data, sending PSPs may be asked to identify and report receiving PSP data at the sort-code level, via the Extended Industry Sort Code Directory (EISCD) listings. This will require sponsor PSPs to ensure that, for indirect sort code access clients, their EISCD listing is up to date and that the indirect PSP is properly identifiable.
- 5.38** Depending on the model adopted by sponsor PSPs, some indirect PSPs, where they have their own unique sort code, may be identified directly as receiving parties at this first stage. However, there will remain some indirect PSPs that do not have a separate unique sort code. In this case, their Metric C results will remain aggregated within the overall results for the sponsor PSP.
- 5.39** In summary and in terms of what is published, where sponsor PSPs are able to provide us with an accurate disaggregation of data on their indirect PSPs, we will publish this. However, where a sponsor PSP is unable to disaggregate their data, we will publish the aggregated result for them.

## General guidance for PSPs

### Guidance defined in Specific Direction 18

- 5.40** This guidance should be read in conjunction with Specific Direction 18. Where elements of the direction are relevant to this guidance, they apply. We have not repeated them here.
- 5.41** Where terms are defined in the direction, we have also applied them in this guidance.
- 5.42** We have set out, in earlier sections of this reporting guidance, the other guidance that is relevant to PSPs and the hierarchy in which this applies.

### Scope

- 5.43** This guidance applies to directed PSPs and all specified receiving PSPs. A specified receiving PSP is defined in Specific Direction 18.
- 5.44** This guidance is considered best practice of the steps that both directed and specified receiving PSPs should take.
- 5.45** Receiving PSPs will be identified at the Short Bank Name and Short Branch Title/sort code level via the Extended Industry Sort Code Directory (EISCD) listing. The PSR will compile the initial shortlist of 25 receiving PSPs at Step 2, based on the Short Bank Name level. However, directed PSPs and receiving PSPs may use more granular data as needed, for example, including Short Branch Title and sort code.

### Notification of specified receiving PSPs (Step 2)

- 5.46** We will write to each specified receiving PSP to inform it that it is a specified receiving PSP for the reporting cycle. For each specified receiving PSP, the PSR will provide a copy of its Metric C data to it, identifying the totals for each directed PSP and an aggregated total.
- 5.47** Subject to receiving the relevant data on time, we will write to specified PSPs within eight working days from the first PSR reporting day.

### Receiving PSPs may request further information from directed PSPs (Step 3)

- 5.48** A specified receiving PSP may request further information from certain directed PSPs. This information may include transaction details, supporting data and supporting evidence, including evidence of a scam and breakdowns of their Metric C data.
- 5.49** Receiving PSPs should only challenge data where their concerns might lead to a significant impact for them. Therefore, they should limit their challenge solely to the relevant sending PSPs and the transactions that were material to their concerns.
- 5.50** Sponsor PSPs that are seeking additional information from directed PSPs, in order to allow them to disaggregate their results across their indirect PSPs, do not need to provide a justification for their request.
- 5.51** Receiving PSPs are able to begin making their requests for more information to a directed PSP as soon as they are notified of their Metric C numbers by the PSR but no later than the Step 3 deadline.

## Directed PSPs to provide breakdown of receiving PSP data (Step 4)

- 5.52** Following requests for further information from the specified receiving PSPs shortlisted in Step 2, directed PSPs are required to respond and provide a breakdown of scams at transaction level and any other relevant information to the receiving PSPs.
- 5.53** Directed PSPs should aim to respond to all requests by no later than the Step 4 deadline.

## Provisional disaggregation (Step 5)

- 5.54** As explained above in Chapter 3 (under the heading *Sponsor banks and agency banks*), sponsor PSPs, where they are able to, should disaggregate their data.
- 5.55** Sponsor PSPs should provide a provisional disaggregated list of indirect PSPs and their results to us, by the deadline outlined in Step 5. (The data will only be provisional at this stage, since sponsor PSPs and directed PSPs will not have concluded the checking process until Step 7.)
- 5.56** Sponsor PSPs should also provide the final list of indirect PSPs and their results to us at Step 8.
- 5.57** Early receipt of the provisionally disaggregated data will help us to identify, at an early stage, significant indirect PSPs who may be included in the final publication list. This will help us in compiling provisional rankings during the process and allow us to contact such indirect PSPs directly to discuss their APP scams data.
- 5.58** Sponsor PSPs should also engage with their indirect PSPs at the earliest possible moment after Steps 2 and 4, to provide them with details of their scam receipts and enable them to challenge this data, should they wish to.

## Receiving PSPs submit requests for changes to the directed PSPs (Step 6)

- 5.59** After reviewing the information provided by a directed PSP, a receiving PSP may request that a directed PSP make adjustments to their data. Any such request should be supported as fully as possible by providing information, supporting evidence and explanations relevant to the adjustment that they are requesting.
- 5.60** A request may only be made once during the process. Therefore, receiving PSPs should ensure that the request is supported as fully as possible.
- 5.61** Requests are allowed to be made anytime between when the directed PSP provides the breakdown of scams to the receiving PSP and the deadline outlined in Step 6.
- 5.62** A request for a change need only be considered by a directed PSP if it leads to more than a 5% change (the threshold) in the information being challenged. (See paragraphs 5.18 to 5.21 above and paragraphs 7.2(c) and 7.4 of Specific Direction 18.)

## Revised data, accompanying explanation and supporting evidence (Step 7)

- 5.63** A directed PSP will provide the revised receiving-PSP information to the specified receiving PSP. This will be accompanied by a reasoned written explanation of how the directed PSP



has taken account of the specified receiving PSP's comments, together with any supporting evidence that the directed PSP has relied upon, including where the directed PSP has decided not to make adjustments. The receiving PSPs should be informed of any changes to their data or lack thereof by the **final PSR reporting day**.

- 5.64** It is of vital importance that any changes in data are communicated to the receiving PSP by the aforementioned deadline. This is especially true in the case of sponsors who will need to disaggregate final revised data among their indirect participants and provide the disaggregation to the PSR (Step 8).
- 5.65** The directed PSP must also submit the final revised data to the PSR by the **final PSR reporting day**.

### Indirect PSP information (Step 8)

- 5.66** Incorporating any changes made to their data by sending PSPs in Step 7, sponsor PSPs should provide a final disaggregation of their revised data to the PSR, accompanied by explanations and supporting evidence. The PSR will consider this information and, if satisfied as to its validity, will publish disaggregated results for that sponsor.

As indicated above, sponsors should provide provisionally disaggregated data to the PSR no later than the Step 5 deadline and the final disaggregated data no later than the Step 8 deadline.

### Commentaries following receipt of final rankings

- 5.67** As explained in paragraph 3.37, specified receiving PSPs, if they would like to, can submit commentaries to us following the submission by the sending PSP of their final results at Step 7.

### PSR notifies receiving PSPs that their data will be published (Step 9)

- 5.68** The PSR will write to the specified receiving PSPs whose data will be published to confirm that they will be included within the data to be published and the basis upon which the PSR has made that decision. The PSR will also inform any receiving PSPs that fall out of the shortlist for publication.
- 5.69** The PSR will do this after the final PSR reporting day and no later than two working days before the date of publication.



## 6 Assurance

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The chief financial officers (CFOs) of directed payment service providers (PSPs) should submit a statement of assurance along with their data. This chapter and the template in the accompanying Annex 2 provide further details.

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### Background

- 6.1** Initially, we will rely upon directed PSPs to provide self-assurance over their reporting, as the main method of assurance. This will be via a signed statement from their CFO or an equivalent level senior executive of the directed PSP with ultimate responsibility for the preparation of the data. We will keep the effectiveness of this method of assurance under review during subsequent periods.
- 6.2** The PSR will supplement this with some basic sense checks over the submissions that we receive.

### CFO (or equivalent) sign-off

- 6.3** Directed PSPs should submit a statement of assurance, signed by their CFO, along with their data submission.
- 6.4** This statement will provide assurance over the completeness and accuracy of their reporting, as well as confirming that the guidance has been followed, and that the preparation and presentation of their data is intended to achieve the PSP objective set out in this document.
- 6.5** CFOs may note any areas of concern, omissions, estimates or departures from the reporting guidance, should that be applicable.
- 6.6** We provide a template statement at Annex 2. This template is illustrative of the form of assurance that the PSR is seeking. However, there is flexibility for directed PSPs to depart from this template if they believe that another form of words is more appropriate.

# Annex 1 – Cycle 2 timetable

## (H1 23 and H2 23)

This annex sets out the key deadlines in the reporting process for the second reporting cycle.

### Timetable: second reporting cycle

Step	Action	Timing
1	PSR to receive data from 14 directed sending PSPs <b>First PSR reporting day</b>	Friday 16 February 2024
2	PSR to contact the 25 PSPs who are the most significant receiving PSPs (and to provide a breakdown of their results by each of the 14 sending PSPs)	Tuesday 27 February 2024
3	Deadline for receiving PSPs to check data and request breakdowns from sending PSPs	Tuesday 12 March 2024
4	Deadline for sending PSPs to provide breakdown of scams at transaction level	Tuesday 26 March 2024
5	Sponsor PSPs should submit provisional disaggregated indirect PSP data to the PSR	Thursday 11 April 2024
6	Deadline for receiving PSPs to review detailed breakdown and submit requests for revision to sending PSPs	Monday 22 April 2024
7	Sending PSPs consider requests for revisions, re-submit revised data to PSR, and communicate changes made at the transaction level to the receiving PSPs especially to sponsor banks <b>Final PSR reporting day</b>	Tuesday 21 May 2024
8	Sponsor PSPs may submit final disaggregated indirect PSP data to the PSR, incorporating any changes made by sending banks	Monday 3 June 2024
9	PSR to review the data, prudential considerations, and prepare publication formats as well as inform the specified receiving PSPs whose data will be published in our report <b>Publication month</b>	July 2024

## Reporting period: second reporting cycle

- H1 2023 and H2 2023.

# Annex 2

## CFO statement of assurance

### Template assurance statement

**Addressee:** To the Payment Systems Regulator (PSR)

**Directed payment service provider (PSP):** XXXXXX (*name of PSP completing this assurance statement*)

**Date of assurance statement:** XX Day/ XX Month/ XX Year

**Reporting period(s):** *e.g. Half-year 1 of 2021 (H1 21): 1 January to 30 June 2021*

**Title:** Chief Financial Officer Statement of Assurance

**Subject:** Authorised push payment (APP) scams data collection under Specific Direction 18

I confirm to the best of my knowledge that:

- our APP scams reporting submitted to you, as detailed above, is complete and accurate, and has been properly prepared in accordance with Specific Direction 18 and the reporting guidance for this reporting period
- we have followed the objective and principles set out in the reporting guidance and our reporting fairly represents the performance of our entity
- we have provided full and adequate accompanying explanations in order for the PSR to fully understand the nature of our reporting and as required under the reporting guidance
- if applicable, we have noted and explained any areas of concern, omissions, estimates and departures from the reporting guidance

I am the senior executive director of XXXX (*name of entity*) responsible for the preparation and reporting of this data.

**Signed:** XXXX (*Full name*)

**Position:** *e.g. Chief Financial Officer (or equivalent senior executive responsible for data preparation and reporting)*

**Date:** XXXX

**Address:** *Address of directed PSP*

# Annex 3

## Data fields

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This annex sets out the mandatory and optional data fields that PSPs should use when exchanging data during the checking process.

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### Template

- 3.1** We have set out a standard Excel template, published alongside this reporting guidance, which should be used by all PSPs when exchanging data for checking. This will help firms to automate the processing of data.
- 3.2** The template has been updated following feedback from our consultation CP23/5. This will be published alongside this guidance.

### Mandatory data fields

- 3.3** PSPs should choose one from the following mandatory data fields:
- The 42-character Faster Payments transaction ID.
  - Sending PSP sort code and account number and Receiving PSP sort code and account number.
- 3.4** If, under 3.2, the sending PSP provided the 42-character Faster Payments transaction ID, it will also need to provide:
- Receiving PSP Short Bank Name or sort code.
  - Faster Payments transaction date.
    - Transaction amount.
- 3.5** If, under 3.2, the sending PSP provided the sort code and account number or the sending and receiving PSP, it will also need to provide:
- Faster Payments transaction date.
  - The date the scam was reported to the receiving PSP.
  - Transaction amount.

## Optional data fields

**3.6** PSPs may complete the following optional data fields. These are not required:

- Number of linked Faster Payments transaction IDs.
- Linked Faster Payments transaction IDs.
- Case identification number (only available for BPS users).
- Category of the APP scam.
- Date the scam was reported to the sending PSP.
- Sending PSP comments (anything the sending PSP wants to flag to the receiving PSP that will help them to identify the transaction).

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