

A Payments Strategy for the 21st Century

Putting the needs of users first:

**Supplementary documents –
Additional end-user needs highlighted in
consultation responses**

November 2016



Table of Contents

| | |
|---|---|
| Summary of additional end-user needs noted in the responses | 3 |
| Summary of specific Government needs noted in the responses | 4 |

Summary of additional end-user needs noted in the responses

- 1.1. In response to the consultation process on the Draft Strategy, 60% of respondents noted additional end-user needs for consideration.
- 1.2. The majority of these additional end-user needs are already being progressed elsewhere in the industry. However, in a number of cases we anticipate additional requirements to be solved by the implementation of our currently defined solutions and will consider these during the collaborative development of the necessary standards and rules.
- 1.3. A summary of these additional end-user needs and the Forum's proposed response is set out in Figure 1.

Figure 1: Additional end-user needs noted in the responses

| Suggested additional end-user needs | Forum Response to additional end-user needs |
|--|---|
| Retention of cheque payments | The decision to retain cheques has been supported by the development of the ICS and digital imaging |
| All payments real time | The strategy is moving towards the ability for all payments to be real time but there is still a role for future dated and batch payments |
| Include international payments in scope | International payments are included in some solutions e.g. Financial crime. Interoperability is a key design principal |
| Include cards in scope | These card payment detriments fall outside of our scope, we therefore recommend that the PSR consider these detriments further |
| Increase speed of settlement | This will be considered by the BoE RTGS initiative |
| Easing corporate account switching | This could be better enabled by new payment infrastructure, however, is not wholly a payment question |
| Account Number Portability | This has been considered by the Forum and rationale for its exclusion have been included in the draft |
| Ease of use of propositions | Ease of use is one of the key design principals for the design of all the solutions. |
| Increased confidence in security | The Improving trust in payments solutions are targeting this and customer education should increase confidence |
| Assurance Data covering Payment collections | This will be taken into account during the detailed design phase of the Assurance Data solution |
| PSPs want to improve fin crime reaction speed | The Improving trust in payments solutions are targeting this. |
| Include money remittance in scope | The strategy will address the UK aspects of money remittance, however, international payments are out of scope. |
| Enhanced and rich data would improve corporate assurance | These will be addressed though Enhanced Data and Assurance Data solution development |

Summary of specific Government needs noted in the responses

- 1.4. The Government is responsible for a larger proportion of payments and have bespoke user needs; therefore, there were a variety of distinct Government outcomes highlighted.
- 1.5. The Government response to the consultation highlighted a number of desired capabilities to address their specific needs, which are shown in Figure 2. This figure also sets out the Forum's view on how the Government needs will be covered by the currently defined Solutions and highlights where the desired capability does not wholly fall within the scope of payment systems.
- 1.6. The Forum recognises the importance of these capabilities, and will continue to consider them throughout the detailed design of our Solutions.

Figure 2: Government needs noted in the responses

| Government Expected Outcomes | Covered by strategy | If yes, where |
|---|---------------------|--|
| Improvements to payment information to enable faster reconciliation: | | |
| Enabling the direct alignment of supplementary data to payments to support automation and acceleration of the reconciliation process for government, and large and small businesses | Yes | Enhanced data solution |
| Enabling improvements to banking and reconciliation: | | |
| To support clearer and faster allocation of payments across multiple invoices or citizen debtors' accounts, enabling "real-time" visibility and improving accuracy of accounts | Yes | Enhanced data solution |
| To aid any aggregation of payments to suppliers without creating added complexity | Yes | Enhanced data solution |
| To provide faster settlement of payments, instil greater confidence in the payment systems and financial security | Yes | Accessible settlement account options solution |
| Supporting the provision of evidence and verification: | | |
| Reducing the burden of citizens to provide financial evidence | Yes | Assurance data solution |
| Improving the effectiveness of entitlement testing | Yes | Enhanced data solution |
| Reducing errors in payments | Yes | Assurance data solution |
| Reducing fraud prevention activities | Yes | Broadly the FCDS solutions |
| Enabling the better sharing of information across departments: | | |
| Enable citizens to provide data once rather than multiple times to each individual department | Yes | Enhanced data solution |
| Provide greater clarity of a citizen's payment interactions across all departments | Yes | Enhanced data solution |
| Providing for greater clarity on credit risk with private sector companies; such as in support of procurements | Yes | Centralised KYC solution |
| Driving harmonisation of governance and legal requirements across departments for citizens | No | Outside of the scope of Forum |