

New Payments Architecture Vendor Advisory Group Terms of Reference

Background

1. The Payments Strategy Forum (the Forum) has concluded its first year of operation and produced a Strategy, 'A Payments Strategy for the 21st Century: Putting the needs of users first', published on the 29 November 2016¹.
2. The Forum has identified that to fully meet the known needs of users and to create an environment flexible enough to meet future needs requires a New Payments Architecture (NPA). The core principles of the NPA which will underpin the detailed design phase in 2017 are:
 - i. A single set of standards and rules, with strong central governance
 - ii. End-to-end interoperability (including APIs and a common message standard)
 - iii. A thin collaborative infrastructure, allowing multiple providers of overlay services to compete in the market simultaneously
 - iv. Secure and resilient, with financial stability a key principle
3. The Forum commenced its implementation phase on 16 December 2016

NPA Design Hub scope and deliverables

4. The Design Hub (the Hub) will create a work plan based on the high level dates below and coordinate and oversee its work streams, driving their delivery and reporting to the Forum:
 - **By January 2017**, developed its workplan and identified its resource requirements
 - **By July 2017**, the Hub will design and document its draft NPA "blueprint" for public consultation. This will include:
 - i. detailed user requirements and rules for Request to Pay; Assurance Data and Enhanced Data
 - ii. An analysis of the proof of concepts required to validate the "blueprint"
 - iii. an implementation plan and cost benefit analysis
 - iv. funding models
 - **By end 2017**, the Forum will finalise its design work and implementation planning and handover to the New Payment System Operator (NPSO). This will include addressing feedback from the public consultation; further design / definition on the above areas, and additional work on API development and standards definition
5. In designing the "Blueprint" and its implementation plan, the Hub should take into account all relevant industry initiatives, including the PSR market review into the ownership and competitiveness of infrastructure provision; the Bank of England's strategic review of RTGS;

¹ <https://www.paymentsforum.uk/final-strategy>

the CMA's open banking remedies and the implementation of PSD2.

6. The Hub will be responsible for ensuring that the design of the NPA meets the 4 core principles set out in paragraph 2 and providing the necessary evidence to demonstrate this.
7. The Hub will engage with the Payments Community to ensure buy-in / support from stakeholders
8. To support the development of the "Blueprint" the Hub will create and oversee four work streams. Each will have its own leads selected from the Forum:
 - WS1 – User requirements and rules
 - WS2 – NPA Design and Transition
 - WS3 – Implementation planning and detailed Cost Benefit Analysis
 - WS4 – Commercial Approach and Economic models

The formation of the NPA Vendor Advisory Group

9. The NPA Vendor Advisory Group is formed of individuals from the Vendor payments community who have:
 - Expressed an interest on the Payment Strategy Forum (PSF) website in March 2017, in the work being carried out by the NPA workstreams, and
 - Representatives of payments organisations who have made contact with the Forum Secretariat based on their knowledge of the Forum's work.
 - This Group does not constitute "all" payment vendors in the industry and is open to vendors who wish to subsequently join.

The NPA Vendor Advisory Group operating principles

10. The NPA Vendor Advisory Group are expected to adhere to the Design Hub Terms of Reference.
11. The NPA Vendor Advisory Group does not form part of the formal governance of the NPA Design Hub.
12. The NPA Vendor Advisory Group will receive updates from the Programme, so the Vendor community can have the opportunity to understand and inform the development of the NPA. Updates will be provided in several formats including but not limited to email, Confluence extracts, face to Face meetings.
13. The NPA Vendor Advisory Group will mainly support NPA workstreams 2, 3 and 4.
14. The NPA Vendor Advisory Group is expected to:
 - Provide input on emerging artefacts produced by these workstreams for content enhancement,
 - Improve confidence levels on the core elements of the NPA design by providing Vendor subject matter expertise.

15. The NPA Vendor Advisory Group meetings will follow an agenda and use materials that will be sent out in advance of the meeting by the PSF Central Team.
16. Notes will be captured from the NPA Vendor Advisory Group meetings. Input received and consequently adopted by the workstreams will be indicated by the relevant workstreams to this Group.

Resourcing

17. Each Vendor will have one standing member of the Advisory Group, additional resources may be invited to specific sessions where the skills are needed to support the subject of the specific Advisory Group Session.
18. The NPA Vendor Advisory Group can, where practicable, provide dedicated resources from their own organisations with relevant skills and availability (typically 2 days per week minimum) to support delivery.