

# Consultation Questionnaire

This template is intended to help stakeholders respond to the questions set out in our consultation document and in its supporting papers.

Responses should be emailed to us at [Forum@psr.org.uk](mailto:Forum@psr.org.uk) in PDF format by no later than **22 September 2017**. Any questions about our consultation can also be sent to [Forum@psr.org.uk](mailto:Forum@psr.org.uk)

Whilst we welcome feedback from any participant on any question, not all questions in this consultation will be relevant to the wide range of stakeholders in the Payments Community. We have sign posted the questions to clarify which are most relevant for your organisations, and where we would most value your feedback.

Thank you in advance for your contribution to this consultation process.

## Basic Details

|                                       |  |
|---------------------------------------|--|
| Consultation title                    | NPA  |
| Name of respondent                    | Matt Bradney   |
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## Responding to the consultation and publication of responses

Subject to express requests for confidentiality, please note that we will publish views or submissions in full or in part. In responding, we therefore ask you to minimise elements of your submissions which you want to be treated as confidential. Where you do submit both confidential and non-confidential material, you should submit a non-confidential version, which you consent for us to publish, marked 'for publication' and another version marked 'confidential'.

In responding to this consultation, you are sharing your response with the Forum secretariat (1). Confidential information provided in these circumstances is confidential within the meaning of FSBRA and it is a criminal offence to disclose it without requisite authority (2).

Notes:

- (1) The Forum secretariat work for the Payment Systems Regulator Limited, 'the PSR', and are considered primary recipients for the purposes of the Financial Services (Banking Reform) Act 2013 (FSBRA).
- (2) The PSR has the power to disclose confidential information in certain circumstances for the purposes of facilitating its functions and may impose conditions on the use of that information.

## Declaration

'I confirm that our response supplied with this cover sheet is a formal consultation response that the Forum can publish, unless it is clearly marked 'confidential'.

Matt Bradney

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## 1.0 A New Payments Architecture

### Question 1.1 Consumers PSPs Corporates Govt. Vendors

Do you agree with our recommendation to move towards a 'push' payment mechanism for all payment types?

Yes  No

If not, please explain why.

I feel this would be an absolute disaster. As a health club we rely on pulling payments from peoples accounts. If this ceases to exist and we have to ask people to pay, you will probably bankrupt the health and fitness industry in a very short period. Have you consulted major health club chains? I suspect not. We are a small independent, but if we have to go to a push payment our

### Question 1.2 PSPs Vendors

In the proposed transition approach it is expected that Third Party Service Providers including current independent software providers, bureaux and gateway providers will update their systems to enable existing payment formats to continue to operate with no or limited negative impact on the current users of services such as Direct Debit.

As a PSP or TPSP, do you agree we have identified the implications of adopting a push model adequately?

Yes  No

If not, please set out any additional impacts that need to be considered.

See above. We have been collecting payments from members for 25 years. The health club model works on people paying for a service. If we have to ask for payment there will be a delay, and there will be people who will not want to pay, regardless of their contracted position.

### Question 1.3 Consumers PSPs Corporates Govt. Vendors SMEs

As a potential vendor, participant or user of the NPA, are there any other design considerations that should be included in the NPA, especially with regards to considering the needs of end-users?

Yes  No

If yes, please provide a description of those areas and why they are important to explore.

It seems that little consideration has been given to small SMEs like us. We use a third party to collect our money for us. The system appears to be designed for huge companies and the consumer. Where do we sit in the process?

### Question 1.4



The nature of the layering approach enables new components to be added or updated with minimal impact on components in other layers. We believe this will support greater levels of competition and innovation especially in the upper layers of the NPA.

In your view, as a vendor or service provider, will layering the NPA in this way simplify access and improve your ability to compete in the UK payments market?

Yes  No

If not, please explain why.

I feel this will only increase our costs. As an SME we cannot afford to see an increase in our costs of collection.

### Question 1.5



With the recommended centralised clearing and settlement option, as a participant or vendor who is accessing or delivering the clearing and settlement service, do you think:

a. We have reached the right conclusion in recommending this option?

Yes  No

If not, please explain why.

b. The right balance of managing risk versus competition has been achieved?

Yes  No

If not, please explain why.

### Question 1.6



Do you agree with our analysis of each of the clearing and settlement deployment approaches?

Yes  No

Which is your preferred deployment approach?

### Question 1.7



As a vendor of services in any layer of the NPA, do you think that more work is required to prove any of the main concepts of NPA before embarking on the procurement process?

Yes  No

If so, please explain which areas and why.

## 2.0 Collaborative Requirements and Rules for the three End-User Solutions

### Question 2.1



As a payee,

a. Does your organisation serve customers who experience challenges paying regular bills?

Yes  No

b. Does your organisation experience unpaid direct debits?

Yes  No

Please comment on the extent to which you experience this and any trends you see in this area.

We have been collecting for 25 years. There has not been any significant change in unpaid direct debits during that time.

### Question 2.2



Request to Pay provides visibility to payees on the intentions of a payer. Would the increased visibility benefit your business?

Yes  No

If so, how?

This is a complete disaster for our business. The cash flow will bomb. Requesting each month will be annoying for members too. The current direct debit system has served us well for 25 years. The ONLY issue is the guarantee.

### Question 2.3

 Corporates

 Govt.

 SMEs

Request to Pay will result in increased communication between the payee and the payer. As a payee:

a. Would the increased communication present a challenge?

Yes  No

If so, in what way?

On top of all utilities and every other bill paid, members of my health club will have to communicate regarding payment too. This sounds like it will be incredibly annoying to everyone.

b. What benefits could you envisage from this increased communication?

Very little. We communicate already with our customers. Increasing the communication is likely to turn people off.

c. Do you see any additional potential benefits resulting from Request to Pay other than those described?

Yes  No

If so, which ones?

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### Question 2.4

 Corporates

 Govt.

 SMEs

We have recommended the minimum information that should be contained in a Request to Pay message. As a payee:

a. With the exception of reference ID, are you able to provide other items of information with every payment request?

Yes  No

b. Is there additional information, specific to your business, that you would have to provide to payers as part of the Request to Pay message?

Yes  No

Question 2.5



We envisage payees stipulating a payment period during which the payer will be required to make the payment. As a payee, how do you think this payment period might be applied within your organisation?

My customers pay monthly. They pay for each calendar month, so the payment period must be as short as possible, to stop unpaid usage.

Question 2.6



Request to Pay will offer payers flexibility over payment time as well as amount and method. As a payee:

a. Does your business model support offering payment plans and the ability for payers to spread their payments?

Yes  No

If so, please provide more details as to how these plans are offered, their conditions and to which customers.

b. Do you have a predominant payment method used by your payers?

Yes  No

If so, what percentage of customers use it?

90% direct debit

c. Do you offer your payers a choice of payment methods?

Yes  No

If yes, what determines how much choice you offer? If not, what are the barriers preventing you from doing this?

Nothing determines what choice other than cost of collection.

d. Are there any incentives to use one payment method over another?

Yes  No

If so, what is the rationale?

If a customer pays up front through either card, cash or bank transfer then they receive a discount. We do not prioritise any of payment, as we need to keep barriers to payment at a minimum.

### Question 2.7

 Corporates

 Govt.

 SMEs

A minority of payers may not be able to pay within the payment period. Through Request to Pay they will be able to request an extension to the payment period. As a payee:

a. Do you currently offer your payers the capability to extend a payment period, request a payment holiday or make late payments?

Yes  No

**This would result in unpaid usage of our service.**

b. What are the conditions and eligibility criteria under which this is offered?

NA

c. If you currently don't, what are the barriers preventing you from offering this capability?

**Late payments or payment holidays result in unpaid use of our service, and mostly end in bad debt.**

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### Question 2.8

 Corporates

 Govt.

 SMEs

Request to Pay will offer payers the option to decline a request. The purpose of this option is to provide an immediate alert in case the request was received as an error or will be paid by other means. As a payee:

a. Would you find this information useful?

Yes  No

b. Do you have any concerns about providing this capability?

Yes  No

**In the real world this will result in far more non payers than Direct Debit.**

### Question 2.9

 Consumers

 Corporates

 SMEs

Does the Request to Pay service as described address:

a. The detriments identified in our Strategy?

Yes  No

b. The challenges experienced by your customers? Does it introduce any new challenges?

Yes  No

Does it introduce any new challenges?

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### Question 2.10

 Corporates

 Govt.

 SMEs

As a payee, considering the information provided in this document,

a. What is the extent of change you think you will need to carry out internally to offer Request to Pay?

**This is a fundamental change for our business sector. I feel our whole business model will be in need of review.**

b. What challenges do you see that might prevent your organisation adopting Request to Pay?

**People sign up as members to our health club. They pay on a monthly basis to have the ability to use our facilities and services. 70% of members use us on a monthly basis, despite efforts to increase that number. In our sector we are a high performer. If we constantly send out requests to pay, then the 30% who do not use us regularly will not pay. Leaving us with an immediate 30%**

c. What is the timeframe you think you will need to be able to offer Request to Pay?

**Beyond my lifetime please.**

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### Question 2.11

 Corporates

 Govt.

 SMEs

What are the features or rules that could be built into Request to Pay that would make it more valuable to your organisation, or more likely for you to adopt it?

**I can think of none.**



Question 2.12



We have highlighted several risks and considerations relevant to the delivery of Request to Pay. As an end-user of Request to Pay:

a. Are there any risks that we have not addressed or highlighted that would like to add?

Yes  No

See all my previous answers. It takes all control from us as the service provider. It is basically a step backwards towards standing order and basic invoicing.

b. Are there additional unintended consequences that we should consider?

Yes  No

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Question 2.13



We recognise that additional work needs to be done in identifying potential safeguards including liability considerations associated with Request to Pay. As an end-user of Request to Pay:

a. What are some of the potential liability concerns that you may have?

The fact that people will chose not to pay. We will be left without instant knowledge of non payment, we will have to wait for them to pay us. This will result in unpaid usage of our facilities.

b. Would you be interested in working with the Forum to define, at a high level, the liability considerations for Request to Pay?

Yes  No

If so, please contact us as soon as convenient through the Forum website so we can get you involved.

**Question 2.14** 

As a PSP:

Do you currently offer real-time balance information to your clients?

Yes  No

What information do you offer them? If not, what are the constraints?

Sort of. Members pay monthly, so there is only ever 1 month of arrears.

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**Question 2.15**    

We have presented two CoP response approaches (Approach 1 and Approach 2).

a. As a payer, what would be your preferred approach? Why?

Approach 1. It just seems simpler

b. As a PSP, what would be your preferred approach? Why?

c. As a regulator,

I. What are applicable considerations that must be made for each approach?

II. What safeguards must be put in place for each approach?

**Question 2.16** 

As a PSP:

a. Would you be able to offer CoP as described to your customers?

Yes  No

b. What is the extent of change that you would need to carry out internally to offer CoP?

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**Question 2.17** 

The successful delivery of CoP is largely dependent on universal acceptance by all PSPs to provide payee information. As a PSP:

a. Would you participate in a CoP service?

Yes  No

b. Are there any constraints that would hinder you providing this service?

Yes  No

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**Question 2.18** 

The NPA will fully support the functionality for PSPs to provide payment status and tracking.

a. As a PSP, what is the extent of change you think you will need to carry out internally to offer Payments Status Tracking?

b. What challenges do you see that might prevent your organisation adopting Payments Status Tracking?

**Question 2.19**

 Consumers  PSPs  Corporates  Govt.  SMEs

We have highlighted several considerations relevant to the delivery of Assurance Data. As an end-user of Assurance Data:

a. Are there any risks that we have not addressed or highlighted that you would like to add?

Yes  No

b. Are there any unintended consequences that we should consider?

Yes  No

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**Question 2.20**

 Consumers  PSPs  Corporates  Govt.  SMEs

As a payer:

a. How would you use Enhanced Data?

No idea

b. What Enhanced Data would you add to payments?

Don't know

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**Question 2.21**

 Corporates  Govt.  SMEs

As a payee:

a. How would you use Enhanced Data?

Don't know

b. What Enhanced Data would you add to payments?

Don't know

**Question 2.22**

 Consumers  PSPs  Corporates  Govt.

Does the Enhanced Data capability as described address the detriments identified in our Strategy?

Yes  No

**Question 2.23**

 Consumers  PSPs  Corporates  Govt.

Some changes will be required to enable the loading and retrieval of Enhanced Data. For example, corporates will need to modify their internal systems. As an end-user, what internal change will be needed to allow you to add and receive Enhanced Data through the NPA?

Don't know

**Question 2.24**

 Consumers  PSPs  Corporates  Govt.  SMEs

We have highlighted several considerations relevant to the delivery of Enhanced Data. As an end-user of Enhanced Data:

a. Are there any risks that we have not addressed or highlighted that you would like to add?

Yes  No

b. Are there any unintended consequences that we should consider?

Yes  No

### Question 2.25

 Consumers  PSPs  Corporates  Govt.  SMEs

We recognise that additional work needs to be done in identifying safeguards including liability considerations associated with Enhanced Data. As an end-user of Enhanced Data:

a. What are some of the liability concerns that you may have?

Increase in costs

b. Would you be interested in working with the Forum to define, at a high-level, the various liability considerations required for Enhanced Data?

Yes  No

If so, please contact us as soon as convenient through the Forum website so we can get you involved.

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## 3.0 Implementation Plan

### Question 3.1

 Consumers  PSPs  Corporates  Govt.  Vendors  SMEs

Are there any additional principles you think we should add or significant amendments that should be made to those already stated?

Yes  No

It feels you have jumped to implementation plan, without first considering the damage that could be done to companies using the existing pull direct debit system. First of all this should be considered before any implementation plan is considered.

### Question 3.2

 Consumers  PSPs  Corporates  Govt.  Vendors  SMEs

Are there any additional assumptions you think we should add or significant amendments that should be made to those already stated?

Yes  No

The implementation plan assumes that you have the right idea in scrapping pull payments - it is not the right idea, therefor the plan should be redrawn when you do have the right idea.

Question 3.3



Do you agree with the sequence of events laid out in the implementation plan?

Yes  No

If not, what approach to sequencing would you suggest?

Far more consultation is required from every business sector this would affect. I would like to see feedback from Chambers of Commerce, CBI and many different trade bodies before we look at implementation.

Question 3.4



Do you agree with the high-level timetable laid out in the implementation plan?

Yes  No

If not, what timing would you suggest?

Assumptions are being made about the major step, which is not right.

Question 3.5



Are there any significant potential risks that you think the implementation plan does not consider?

Yes  No

If the answer is yes, then please provide input about what they are and how we can best address them.

The whole process is flawed. I cannot believe the business leaders in our Country fully understand what a move from pull to push payments means. This consultation period is too short and not advertised widely enough. The documents are too long, and the fundamental change is almost glossed over.

Question 3.6



Do you agree with our proposed transition approach?

Yes  No

If not, please provide your reasoning.

Because I do not agree with the change.

## 4.0 Cost Benefit Analysis of the NPA

Question 4.1



Are there any material quantifiable benefits that have not been included?

Yes  No

If so, please provide details.

Question 4.2



Do you agree with the cost assumptions with regards to the NPA and each of the overlay services (Request to Pay, Enhanced Data, Assurance Data)?

Yes  No

If not, please state your reasons and, if possible, suggest alternatives analysis.

Cost assumptions for whom?

Question 4.3



Do you agree with our description of the alternative minimum upgrade?

Yes  No

If not, please explain your reasoning.



## 5.0 NPA Commercial Approach and Economic Models

### Question 5.1



Does our competition framework adequately capture the types of competition that may exist in payments?

Yes  No

Please explain.

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### Question 5.2



Do you agree with the NPA competition categories described? If not, please explain why.

Yes  No

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### Question 5.3



Does our framework capture the dynamic roles the NPSO may play in the market?

Yes  No

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### Question 5.4



Are there any other important criteria that we should use to assess the funding options we have identified?

Yes  No

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**Question 5.5**  Investors

Do you agree with our NPA competition assessment? If not, please explain why.

Yes  No

**Question 5.6**  PSPs  Vendors  Investors

Do you agree with our assessment of End-User Needs Solutions? If not, please explain why.

Yes  No

**Question 5.7**  PSPs  Vendors  Investors

Do you agree with our list of funding stakeholders? If not, please explain why.

Yes  No

**Question 5.8**  PSPs  Corporates  Vendors

Are there other significant sources of funding or types of funding instruments the NSPO could secure that have not been described? If not please explain why.

Yes  No

## 6.0 Improving Trust in Payments

### Question 6.1



Do you agree with the outlined participant categories identified for the Payments Transaction Data Sharing and Data Analytics strategic solution?

Yes  No

Are there other categories that should be considered for inclusion?

Yes  No

Please explain your response.

### Question 6.2



What is your opinion on the role non-payments industry participants should have as part of the Payments Transaction Data Sharing and Data Analytics strategic solution? (This could include Government, Law Enforcement, or others). If appropriate, please outline usage of the system, provision of data to the system, and legal considerations for participation.

### Question 6.3



Do you agree with the potential use cases outlined for the Payments Transaction Data Sharing and Data Analytics strategic solution?

Yes  No

If not, please provide your reasoning. Please indicate if there are other potential uses for the system that should be considered.

**Question 6.4**



Do you agree with key principles we have outlined for the implementation of the Payments Transaction Data Sharing and Data Analytics strategic solution?

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**Question 6.5**



Other than those already listed, what stakeholders should be consulted and engaged during the design and implementation of the Payments Transaction Data Sharing and Data Analytics Strategic Solution?

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**Question 6.6**



Do you agree with the high-level timeline for the Payments Transaction Data Sharing and Data Analytics strategic solution?

Yes  No

If not, what timing would you suggest and why?

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**Question 6.7**



Do you agree with the establishment of the recommended framework for the sharing and exchanging of a core set of SME customer data overseen by a governance body?

Yes  No

If not, please explain your reasoning.

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**Question 6.8**

 PSPs

 Corporates

We are keen to get your input on the benefits provided by the framework.

a. Do you agree that the focus on sharing a core set of SME customer data is beneficial for the KYC processes in your organisation?

Yes  No

If not, please explain your reasoning.

b. Which other business activities could be supported by / benefit from the described sharing and exchanging a core set of SME customer data?

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**Question 6.9**

 PSPs

 Corporates

 SMEs

 Vendors

Do you agree that the topics covered by the standards will provide sufficient guidance in order to implement the data sharing framework without being too prescriptive?

Yes  No

Are there additional topics you believe should be included?

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**Question 6.10**

 PSPs

 Corporates

 SMEs

 Vendors

To engender trust in the sharing and exchanging of a core set of SME customer data, are there other responsibilities you would expect the governance body to have oversight over?

**Question 6.11**    

In your view, do any existing bodies (industry or other), already perform this oversight role?

Yes  No

If not, is there an existing body you believe should perform this role, or would you expect a new body to be established?

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**Question 6.12**  

Do you think a temporary testing environment as described is the right approach? If not, please explain your reasoning.

Yes  No

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**Question 6.13**  

Are there any other key features you would expect in the temporary testing environment?

Yes  No

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**Question 6.14** 

Do you agree that value-added service providers would benefit from the data sharing environment enabled by the framework?

Yes  No

**Question 6.15**  

Are the arguments put forward compelling enough to encourage net data providers to engage?

Yes  No

If not, please provide examples of what else would be required to make them participate.

**Question 6.16**  

Do you see other advantages or challenges for net data consumers that were not listed above?

Yes  No

Please explain your answer.

**Question 6.17**    

Do you agree with the high-level implementation timeline for the Trusted KYC Data Sharing solution?

Yes  No

If not, what timing would you suggest and why?

**Question 6.18**    

Are there other initiatives with a similar focus that should be considered in order to deliver the Trusted KYC Data Sharing solution?

 **Save Questionnaire\***

\* Please save your questionnaire and email to us at [Forum@psr.org.uk](mailto:Forum@psr.org.uk) in PDF format by no later than 22 September 2017.