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 in PDF format by no later than 22 September 2017. Any questions about our consultation can also be sent to Forum@psr.org.uk

Whilst we welcome feedback from any participant on any question, not all guestions 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	Naomi McCombie
Contact details / job title	Operations Director
Representing (self or organisation/s)	The Ely Fitness Company Ltd
Email	naomimccombie@gmail.com
Address	39 Newnham Street, Ely, Cambs, CB7 4PQ

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 nonconfidential 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).

- (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'.

Naomi McCombie

1.0 A New Payments Architecture

will impact small SME's and their cashflow.

Question 1.1 Consumers
Do you agree with our recommendation to move towards a 'push' payment mechanism for all payment types?
Yes ○ No ●
If not, please explain why.
We rely on having a regular income at regular intervals which allows us to predict our cashflow and budget going forward. I feel asking people to pay will not only impact our cashflow but our costs will increase as more staff will be required to manage this system, credit control and debt will also increase. Something a small SME like us can do without.
Question 1.2
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 O No O
If not, please set out any additional impacts that need to be considered.
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.

Rather than scrapping Directs Debits as we know it, look at streamlining that system rather than creating a whole new one that

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 O No O
If not, please explain why.
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 O No O
If not, please explain why.
b. The right balance of managing risk versus competition has been achieved?
Yes O No O
If not, please explain why.
Question 1.6
Do you agree with our analysis of each of the clearing and settlement deployment approaches?
Yes O No O
Which is your preferred deployment approach?

If so, how?

A signed DD mandate gives the payee visibility as does a BACS report. An ARUDDS also gives us visibility to what is not going to be paid. Why change something that has worked for many years? Our cashflow will be greatly affected by asking for a payer to approve a payment first and being allowed to choose when they pay.

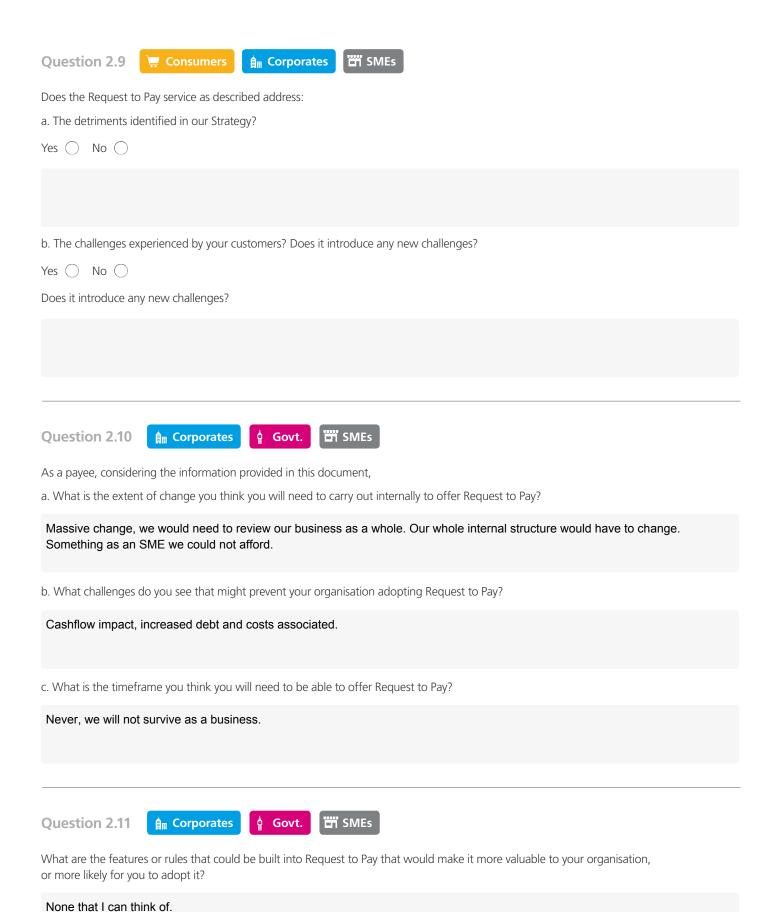
Question 2.3 Govt. SMEs
Request to Pay will result in increased communication between the payee and the payer. As a payee: a. Would the increased communication present a challenge?
Yes No
If so, in what way?
Our costs will increase as we would need to emply someone to deal with system and the communications expected. People are already inundated with comms via email, social media etc. It will just be another email that will be ignored, sent to spam or blocked.
b. What benefits could you envisage from this increased communication?
None that I can think of, just more emails/paper being used and abused.
c. Do you see any additional potential benefits resulting from Request to Pay other than those described?
Yes ○ No ●
If so, which ones?
Question 2.4 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 Govt. Govt.
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?
As a members only club, payments are collected per calendar month in advance so the payment period would need to be very short. To prevent unpaid usage of our facilities.
Question 2.6 Corporates Govt. SMEs
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% are dreict 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?
The choice is the members, either a Paid in Full Option (Cash or Card) or monthly Direct Debits. The cost of the collection determines our provision. Direct debit gives us a regualr cashflow.
d. Are there any incentives to use one payment method over another?
Yes ○ No ●
If so, what is the rationale?

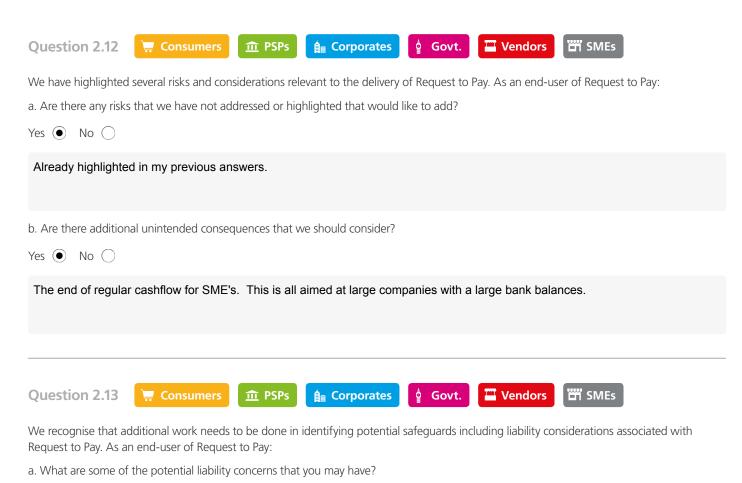
Yes

No

Direct debit is, for us, a cost effective method of monetary collections and a regualr income source. Allowing a payer to decide that they wish to pay using another method or declining a request will see our costs rise as we deal with delayed payments, increased bad debt and our income fluctuate.







That payer can choose when and whether they want to pay us. We would have chase for payment increasing our costs and impacting our cashflow.

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

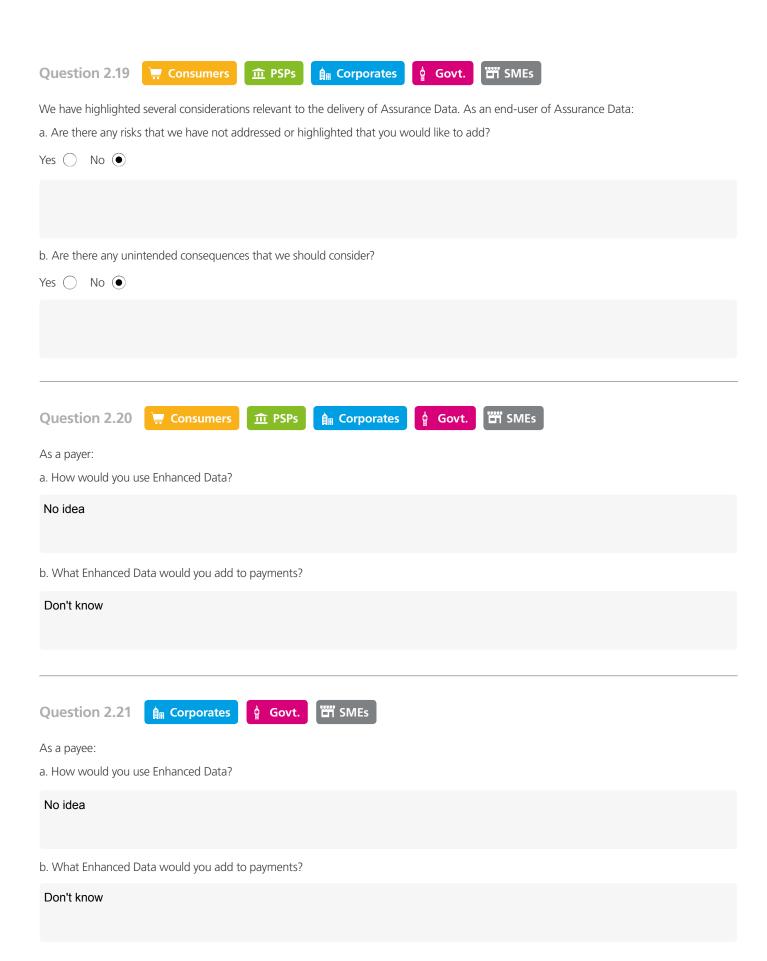
Yes

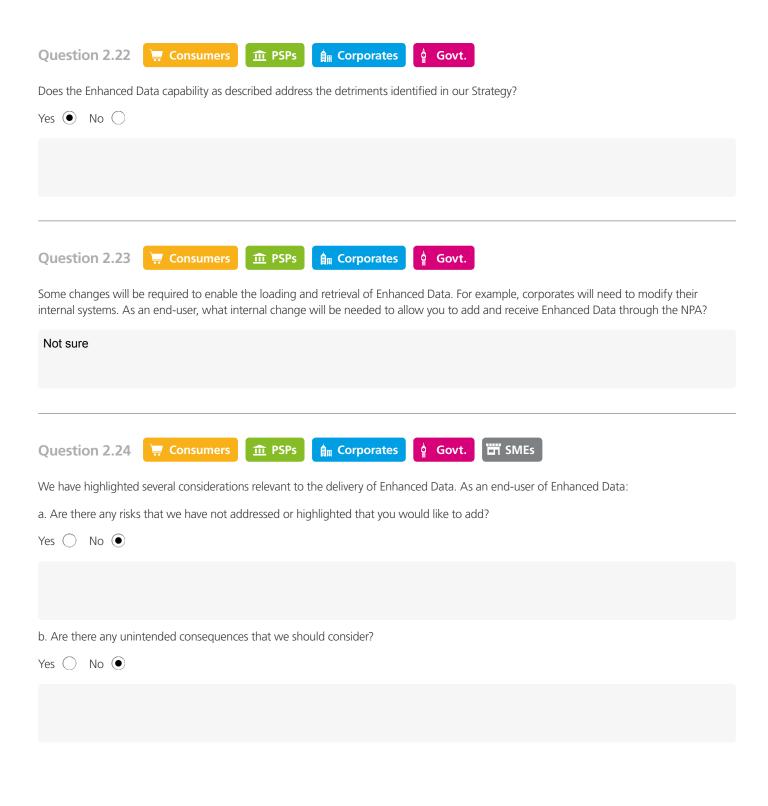
No

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?
As we collect our directs debits once a month, there is only ever 1 month of arrears.
Question 2.15 — Consumers
Consumers — Consumers — 1313
We have presented two CoP response approaches (Approach 1 and Approach 2).
a. As a payer, what would be your preferred approach? Why?
1 -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 No
b. What is the extent of change that you would need to carry out internally to offer CoP?
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 O No O
b. Are there any constraints that would hinder you providing this service?
Yes O No O
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?





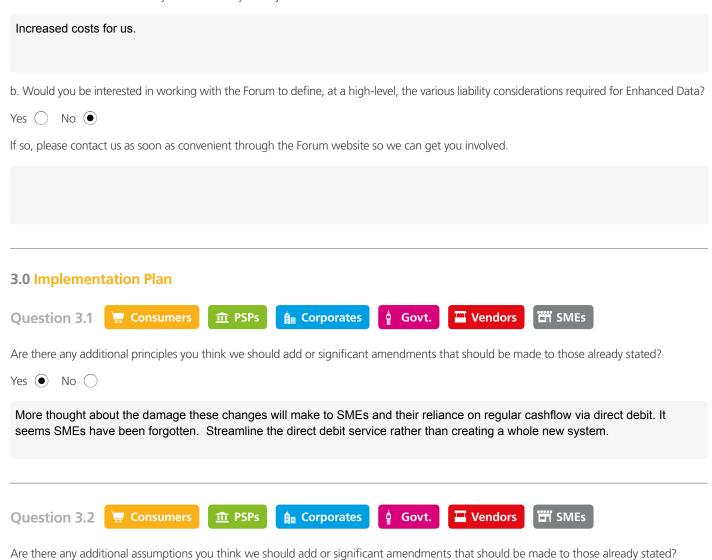
Yes

No

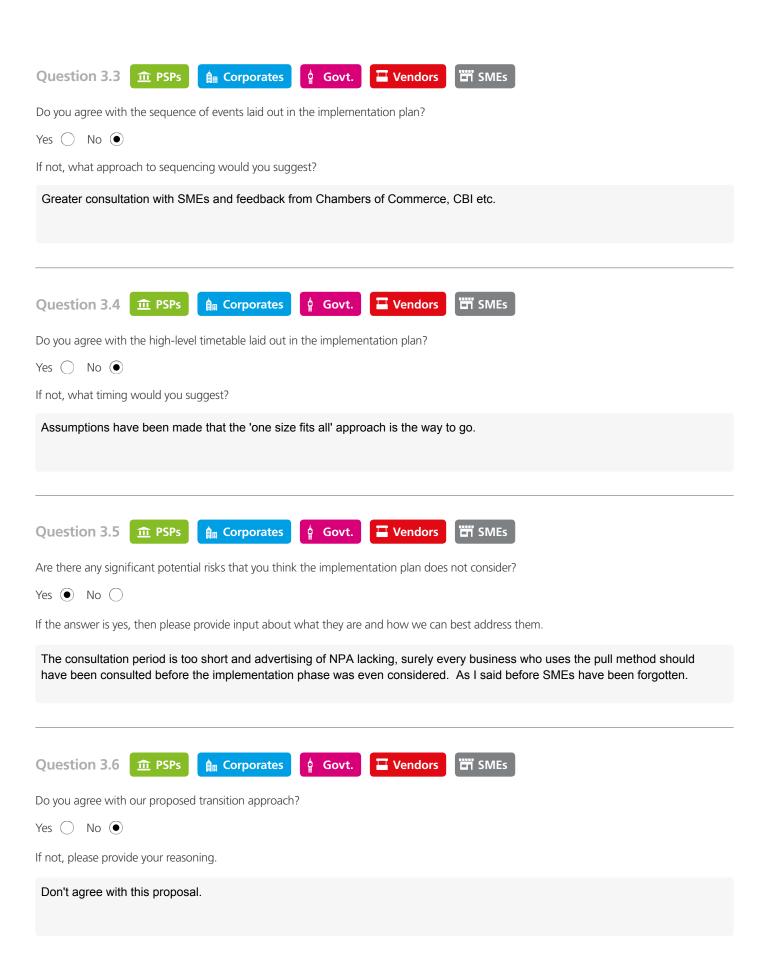


We recognise that additional work needs to be done in identifying safeguards including liability considerations associated with Enhanced Data. As an end-user of Enhanced Data:

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



That SMEs will not survive by removing the pull method of direct debit. Streamline the direct debit service rather than creating a whole new system



4.0 Cost Benefit Analysis of the NPA

Question 4.1	PSPs Corporates	Ġ Govt. ☐ Vendor	SMEs 🎒	Investors
Are there any material	quantifiable benefits that have	e not been included?		
Yes O No •				
If so, please provide de	tails.			
Question 4.2	PSPs and Corporates	Govt. Vendo	S SMEs	Investors
Do you agree with the Assurance Data)?	cost assumptions with regard	s to the NPA and each of the	e overlay services (Requ	est to Pay, Enhanced Data,
Yes O No •				
If not, please state you	r reasons and, if possible, sugg	gest alternatives analysis.		
Cost assumptions for	or who?			
Question 4.3	PSPs Am Corporates	ģ Govt. ☐ Vendor	SMEs 🚊	Investors
Do you agree with our	description of the alternative	minimum upgrade?		
Yes O No •				
If not, please explain yo	our reasoning.			
Because I don't agre	ee with this proposal.			

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 O No O
Please explain.
Question 5.2
Do you agree with the NPA competition categories described? If not, please explain why.
Yes O No O
Question 5.3
Does our framework capture the dynamic roles the NPSO may play in the market?
Yes O No O
Question 5.4
Are there any other important criteria that we should use to assess the funding options we have identified?
Yes O No O

Question 5.5 💆 Investors
Do you agree with our NPA competition assessment? If not, please explain why. Yes No
Question 5.6
Do you agree with our assessment of End-User Needs Solutions? If not, please explain why.
Yes O No O
Question 5.7
Do you agree with our list of funding stakeholders? If not, please explain why.
Yes O No O
Question 5.8
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 O No O

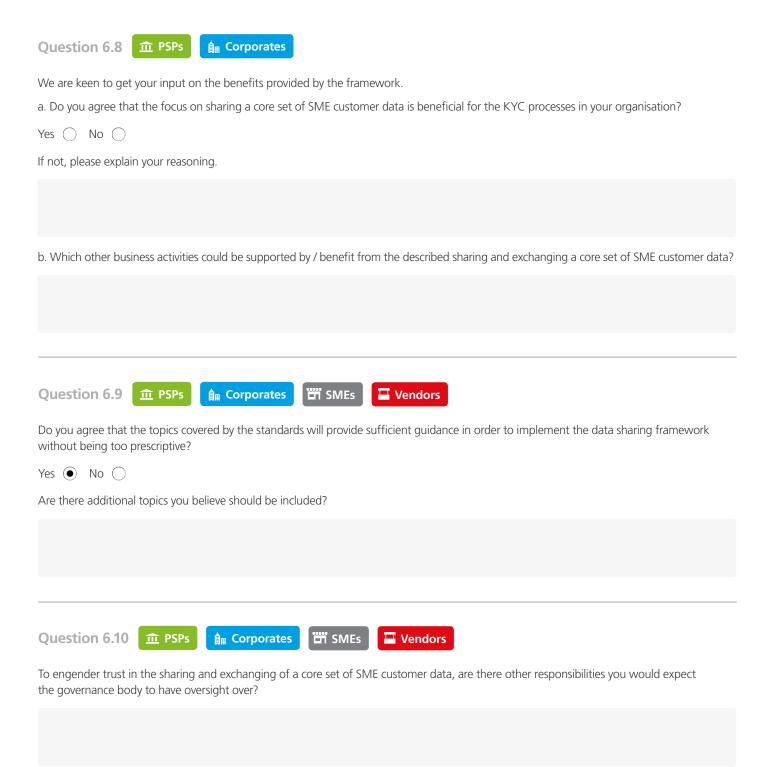
6.0 Improving Trust in Payments

Question 6.1
Do you agree with the outlined participant categories identified for the Payments Transaction Data Sharing and Data Analytics strategic solution?
Yes O No O
Are there other categories that should be considered for inclusion?
Yes O No O
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 O No O
If not, please provide your reasoning. Please indicate if there are other potential uses for the system that should be considered.

Yes

No

If not, please explain your reasoning.



Question 6.11
In your view, do any existing bodies (industry or other), already perform this oversight role? Yes No No
If not, is there an existing body you believe should perform this role, or would you expect a new body to be established?
Question 6.12
Do you think a temporary testing environment as described is the right approach? If not, please explain your reasoning. Yes No
Question 6.13
Are there any other key features you would expect in the temporary testing environment? Yes No No
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 Corporates
Are the arguments put forward compelling enough to encourage net data providers to engage?
Yes O No O
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 O No O
Please explain your answer.
Question 6.17
Do you agree with the high-level implementation timeline for the Trusted KYC Data Sharing solution?
Yes O No O
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 in PDF format by no later than 22 September 2017.