

The background image shows a close-up of a person's hands using a payment terminal. The terminal is dark grey and has a card being processed. A logo for the 'payments strategy forum' is overlaid on the image. The logo consists of two overlapping, rounded, triangular shapes: a yellow one on top and a green one on the bottom. The text 'payments strategy forum' is written in white, lowercase letters within the yellow shape.

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# Financial Crime Working Group (FCWG) Status Report

Forum: 6<sup>th</sup> June

# Financial Crime Working Group Summary

ID	Workstream Name	Handover		Consultation Approach	Deliverables	Summary Status
		Identification of Handover Body	Handover expected to complete			
WS01	<b>Transaction Data Analytics (Tactical)</b>	Recommendation on entity has been made, and engagement is continuing	Jun-17	Not required as solution is expected to be handed over prior to consultation date	Handover materials: <ul style="list-style-type: none"> <li>• Scope</li> <li>• Milestone plan</li> <li>• In-principle participants list</li> </ul>	<b>Amber</b> (Previously Green) <ul style="list-style-type: none"> <li>• Currently only 50% of participants have reviewed the scope of the service.</li> <li>• Provider continues to work at risk, but resolving the funding, and delivery approach are key to returning to plan.</li> </ul>
	<b>Transaction Data Analytics (Strategic)</b>	NPSO	Oct /Nov 17	Yes – include in public consultation	<ul style="list-style-type: none"> <li>• Strategic Solution paper</li> <li>• Consultation paper</li> </ul>	<b>Green</b> (Previously Green) <ul style="list-style-type: none"> <li>• Strategic paper progressing in advance of consultation process</li> </ul>
WS02	<b>KYC Data Sharing</b>	Recommendation on entity has been made, and engagement is commencing	Oct /Nov 17	Yes - Include in public consultation	<ul style="list-style-type: none"> <li>• Standards Commissioning Document</li> <li>• Implementation Approach</li> <li>• Solution summary</li> <li>• Consultation paper</li> <li>• Stakeholder Roundtable plan</li> </ul>	<b>Green</b> (Previously Green) <ul style="list-style-type: none"> <li>• Tracking slightly behind plan, but on track to return to plan</li> <li>• Solution Delivery body (handover) has been identified and engagement is commencing</li> </ul>
WS05	<b>Indirect Access Liability Model</b>	Under discussion, recommendation yet to be made	Oct /Nov 17	Yes - through Indirect Access Provider (IAP) and iPSP questionnaire not the public consultation document	<ul style="list-style-type: none"> <li>• IAP Questionnaire for consultation</li> <li>• iPSP Questionnaire for consultation</li> <li>• Recommendation based on questionnaire results</li> </ul>	<b>Amber</b> (Previously Green) <ul style="list-style-type: none"> <li>• To differentiate the questionnaire from the wider PSF consultation the plan is to publish early July. The current slippage against plan means there is limited capacity for overruns.</li> <li>• The support of the PSR in finalising the questionnaire and its distribution method is now critical to returning to plan.</li> </ul>

# Financial Crime Working Group Summary

ID	Workstream Name	Handover		Consultation Approach	Deliverables	Summary Status
		Identification of Handover Body	Handover expected to complete			
WS04	<b>Guideline for Identity Management</b>	UK Finance	Jul-17	Not required - solution is expected to be handed over prior to consultation date	<ul style="list-style-type: none"> <li>Identity Guidelines Handover Document</li> <li>Identity Guidelines Scope document</li> </ul>	<b>Green</b> (Previously Green) <ul style="list-style-type: none"> <li>On track to progress handover, subject to completion of final stakeholder engagement steps</li> </ul>
WS03	<b>Financial Crime Data and Information Sharing</b>	UK Finance	Jul-17	Not required as solution is expected to be handed over prior to consultation	Handover materials: <ul style="list-style-type: none"> <li>Positioning paper</li> </ul>	<b>Green</b> (Previously Green) <ul style="list-style-type: none"> <li>Positioning paper due to finalise mid-June in preparation for handover in July.</li> </ul>
WS06	<b>Sanctions Data</b>	Recommendation on entity has been made, and engagement is commencing	Jul-17	Not required as solution is expected to be handed over prior to consultation	Handover materials: <ul style="list-style-type: none"> <li>Updated strategy supporting paper with outcome of discussion with HMT and FCO</li> </ul>	<b>Green</b> (Previously Amber) <ul style="list-style-type: none"> <li>Following meeting with HMT and FCO an update to the November strategy paper will inform the handover process for July.</li> </ul>

# WS01: Transaction Data Analytics

## Key activities since the last Forum update

### Tactical Solution:

#### Deliverables:

- ▶ Tactical solution scope document is being iterated based on feedback from scheme participants.
- ▶ Revised Stakeholder engagement plan is being progressed to improve awareness and support.

#### Handover:

- ▶ Tactical solution handover currently targeted for completion before July, subject to clarification of contracting party and funding position.

### Strategic Solution

#### Deliverables:

- ▶ The solution paper has been drafted based on output from the Strategic solution workshop. Review has commenced and the document will be iterated over the coming weeks

#### Consultation:

- ▶ The strategic solution will be included in the full PSF consultation document

## Key upcoming activities

### Handover:

- ▶ Confirm handover entity for the Tactical solution

### Deliverables:

- ▶ Revise delivery timelines based on the current view of tactical delivery
- ▶ Continue review and iteration of Strategic Solution paper over the coming weeks

### Consultation:

- ▶ Commence drafting of consultation paper for Strategic Solution

## Overall workstream RAG status

Previous  
G

Current  
A

Forward  
A

- ▶ The Tactical Solution needs to confirm contracting body and re-plan based on current situation with regards to funding. Workstream timelines will progress aggressively
- ▶ The Strategic Workstream is moving towards consultation with an eye on handover activities in October / November.

R

Serious challenges exist, and the committed baseline has been or will be missed. Mitigating plans and resources are not in place.

A

Issues exist with some risks to committed baseline. Mitigating plans and resources agreed and in progress.

G

Issues may exist, but on target to deliver against the committed baseline.

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# WS02: KYC Data Sharing

## Key activities since the last Forum update

### Handover:

- ▶ Recommendation on the proposed solution delivery body has been made to take over the KYC Sharing work from the PSF by October/November

### Deliverables:

- ▶ The initial drafts of the documents that will support the consultation process and the handover of the solution to the new delivery body have been developed and are due to be finalised by the 16<sup>th</sup> of June.
  1. Standards Scoping and Governance framework commissioning document
  2. Solution Delivery Strategy document
- ▶ In addition a summary document on the solution is being drafted.

### Consultation:

- ▶ The KYC solution will be included in the full PSF consultation document

## Key upcoming activities

### Deliverables:

- ▶ Finalise deliverables to support the consultation

### Consultation:

- ▶ Prepare consultation paper
- ▶ Finalise stakeholder engagement plan (including the first Round Table that will be held with SME focused PSPs)

## Overall workstream RAG status

Previous  
**G**

Current  
**G**

Forward  
**G**

- ▶ Tracking slightly behind plan, but will return to plan without additional intervention.
- ▶ Solution Delivery body (handover) has been identified and engagement is commencing

**R**

Serious challenges exist, and the committed baseline has been or will be missed. Mitigating plans and resources are not in place.

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# WS03: Financial Crime Data & Information Sharing

## Key activities since the last Forum update

### Deliverables:

- ▶ The solution team is continuing to shape and revise the positioning paper in weekly iterations, with greater focus on how a solution capability would address the original detriments outlined.

### Handover:

- ▶ The team is targeting to complete a formal handover in early July.
- ▶ It was agreed that UK Finance is the appropriate handover body for this work, but specific departmental allocation needs to be confirmed

### Consultation

- ▶ Not required as solution is expected to be handed over prior to consultation date

## Key upcoming activities

### Deliverables:

- ▶ Seek direct input from BBA to proceed with the positioning paper

### Handover

- ▶ The team will begin converting the positioning paper into a formal document for handover to UK Finance which has been identified as the appropriate entity to take the solution forward

## Overall workstream RAG status

Previous  
**G**

Current  
**G**

Forward  
**G**

- ▶ Input is needed from BBA on current and planned data sharing initiatives to complete the positioning paper
- ▶ Once complete, the positioning paper will be converted into a formalised handover document for the new delivery entity

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# WS04: Guideline for Identity Management

## Key activities since the last Forum update

### Deliverables:

- ▶ Draft Guideline scoping and handover documents have been shared with key stakeholders and feedback to date has been positive with no material changes requested.
- ▶ The revised, and significantly reduced, development and implementation costs in the original Business Case Evaluation have been agreed by the workstream for inclusion in the overall Financial Crime CBA.

### Handover

- ▶ The plan of activities required to achieve workstream closure by the end of July has been agreed and it has been confirmed that no further deliverables are required.
- ▶ Whilst still to be formally confirmed, UK Finance are increasingly seen as the natural area to fulfil both solution delivery and governance body responsibilities for the next phase of work, building on BBA's and FFA's close engagement in this solution.
- ▶ Discussion with UK Finance on handover is under way.

## Key upcoming activities

### Deliverables:

- ▶ Draft copies of the Guidelines scoping and handover documents will continue to be socialised with stakeholders for comment and feedback.
- ▶ This will include sharing the draft documents with the BBA Consumer Panel and hosting an 'open line' feedback session on the 8<sup>th</sup> June.

### Handover

- ▶ Continue discussions with UK Finance to identify, if appropriate, specific areas to agree handover proposals.

## Overall workstream RAG status

Previous

G

Current

G

Forward

G

- ▶ On target to meet key milestones and complete final deliverables by mid June 2017 and formal handover by mid July 2017.

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# WS05: Indirect Access Liability Model

## Key activities since the last Forum update

### Deliverables:

- ▶ Workstream plan completed targeting questionnaire distribution in advance of full NPA consultation
- ▶ Completed drafts of both the IAP and iPSP questionnaires have been developed. These will be shortly submitted to the PSR for review, and performing targeted questionnaire pilots will soon be underway, continuing for the next few weeks. Questionnaires will be finalised once the pilots have completed and feedback received from PSR.
- ▶ It has been agreed that Publishing and Confidentiality policies are required and these are currently being drafted. These will be completed in parallel with the questionnaire and require input from PSR. These will be subject to review amongst the stakeholder group once completed.

### Consultation:

- ▶ The PSR Secretariat has been engaged to assist with publishing the questionnaire, including agreeing the distribution method and finalisation of wording for the survey distribution
- ▶ Team is targeting to distribute the questionnaires in July, with all activities progressing to plan towards this deadline

## Key upcoming activities

### Deliverables:

- ▶ Commence pilot of the questionnaire and finalisation of the wording with the PSR.
- ▶ Engage wider stakeholders to publicise the questionnaire.
- ▶ Questionnaire distribution method and confidentiality policies must be finalised and completed

### Handover:

- ▶ Consider the workstream handover process based on the feedback received from the pilot survey, which may provide insight as to who would be an appropriate handover body

## Overall workstream RAG status

Previous  
**G**

Current  
**A**

Forward  
**A**

- ▶ To differentiate the questionnaire from the wider PSF consultation the plan is to publish early July. The current slippage against plan means there is limited capacity for overruns.
- ▶ The support of the PSR in finalising the questionnaire and its distribution method is now critical to returning to plan.

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# WS06: Sanctions Data

## Key activities since the last Forum update

### Deliverables:

- ▶ Meeting with HMT completed
- ▶ It was agreed that the position as outlined in the November Strategy Paper requires slight updates. These should be addressed and used to form a handover document

### Handover:

- ▶ Targeted handover for the solution is July
- ▶ Handover will be with UK Finance but we need to identify appropriate department with UK Finance

## Key upcoming activities

### Handover

- ▶ Handover document needs to be drafted and iterated
- ▶ Handover organisation / department within UK Finance needs to be identified and engaged

## Overall workstream RAG status

Previous

A

Current

G

Forward

G

- ▶ Now need to engage with handover body and agree appropriate handover deliverables

R

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**Appendix**

# Financial Crime – Key Risks and Issues

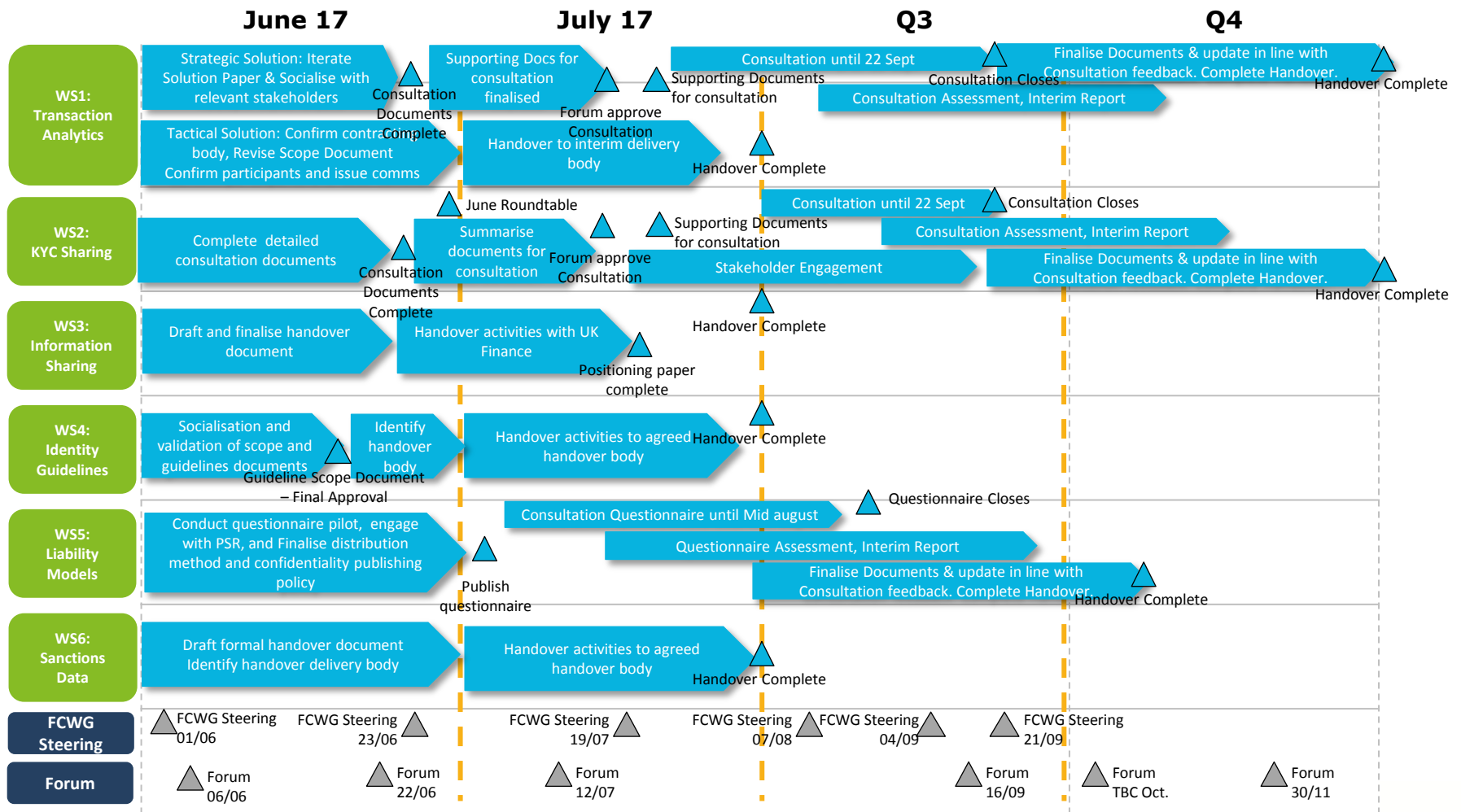
Key Risks and Issues						
ID	Type	RAG	Res. Date	Title	Description / Impact	Actions/ Decisions
WS1-003	Risk	A	30/06	Participant engagement and ongoing support	The tactical solution requires commitment from the participants to establish the processes to support the service and deliver results in the autumn. Participants will also have to commit ongoing resources to respond to the outputs of the service, and this require an appropriate level of commitment from the PSPs involved.	Further direct communication with participant senior stakeholders needed to ensure industry buy-in prior to funding request
WS1-001	Risk	G	30/06	Grant of permissions	Transaction analytics tactical solution will require participants to grant permission for the use of their data. Delays in achieving this may result in delays to achieving the stated objective of a September go live.	Permissions documents have been issued, but participants must now turn these around quickly.
WS1-002	Risk	A	30/06	Funding model	The tactical solution will require a funding commitment from participants to seed the development of the service in 2017 and until the strategic solution is in place.	Suggested approach is for a letter to come from Home Office to CEOs on the need for their ongoing support to fight financial crime and support the service. The general election means we will not be able to secure this letter until following the election. The project must be re-planned with this in mind.
WS1-004	Risk	G	30/06	Scope Agreement	To progress Tactical Solution, scope sign off is required quickly. Without contracting body formally agreed, sign off could be delayed. This may impact the service start date	PSF Solution Team have been asked to verify that scope document appropriate. Comments received and documents iterated, but further in-depth discussion required. Likely to have less impact than funding and awareness constraints.
WS2,3,4&6-001	Risk	G	31/07	Solution Delivery Body	The body to handover workstreams 2,3,4 & 6 has been identified as the new trade body.. As a new body there is a risk that handover may still be taking place as the consultation process commences.	Continue engagement with existing organisations and new trade body leadership.
WS05-001	Risk	A	01/07	Questionnaire Timetable	The liability questionnaire is required to be distinct and separate to the PSF Consultation process, and therefore needs to be published in advance. The plan therefore is very tight for finalising the questionnaire.	To finalise the questionnaire support has been offered via the secretariat on the wording and the pilot with iPSPs and IAPs needs to take place.

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# High level milestone plan for 6 Fin Crime Solutions in Q2



## NOTES

- Plan will be updated on an ongoing basis based on the input/out from each workstream
- Weekly meeting for status updates will be scheduled on each Friday
- Fortnightly FinCrime WG – Steering Group under the way

- ▲ Milestone/ deliverables
- ▲ Meetings/Workshops

# Financial Crime WG – Structure Steering

