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 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	Blueprint for the future of UK payments
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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'.

Andrew Hewitt

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.

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.

Yes - but more communication needs to be made to the industry around the fact that Direct Debit will not be going away as it appears that there is some confusion.

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.

Some more detailed thought on how consumer protection will work given an RTP. It probably isn't enough to rely on the underlying payment mechanism to offer the consumer protection. The consumer protection afforded by an RTP using a Faster Payment should be at least as good as equivalent methods available to end users such as Direct Debit or debit card. This is

Question 1.4 PSPs Vendors

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.

Yes absolutely this approach is the correct design pattern to give a platform for innovation especially in the overlay services layer.

Question 1.5 PSPs Vendors

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 PSPs Vendors

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

Yes (●) No ( )

Which is your preferred deployment approach?

Multi Vendor approach is preferred, however should the proof on concept prove to many additional risks are introduced using this approach then single vendor would be preferred. The most important factor in deciding has to be reliability/availability of the system

Question 1.7 PSPs Vendors

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.

On request to pay critical mass is everything. Design should be in such a way that it includes as many use cases as possible – and 5.3.3 agrees that solutions should be '…interoperable, ubiquitous and easily recognised by end users.' . The design ethos is quite biller centric and designed for those who struggle to use Direct Debit as they need more control of their finances. This is

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

Question 2.1 Corporates Govt. SMEs

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.

N/A for FIS - not a biller

Question 2.2 Corporates Govt. SMEs

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?

N/A for FIS - not a biller - But as an outsider looking in it looks like a good idea.

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?

N/A for FIS - not a biller - but would observe it is good to hear from payees as to their intent regarding payment and having a mechanism to facilitate an open conversation seems positive.

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

N/A for FIS - not a biller - but would observe greater communication should increase total amount collected against bad debt and late payers

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

Yes ◉ No ◯

If so, which ones?

Yes - please see response to 1.7 above. In short, it could be used in multiple use cases such as retail payments, to replace existing card transactions giving a lower cost way to pay with quicker merchant settlement.

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 ◯

N/A for FIS - not a biller

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 ◯

N/A for FIS - not a biller

Question 2.5 Corporates Govt. SMEs

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?

N/A for FIS - not a biller

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.

N/A for FIS - not a biller

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

Yes ◯ No ◯

If so, what percentage of customers use it?

N/A for FIS - not a biller

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?

N/A for FIS - not a biller

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

Yes ◯ No ◯

If so, what is the rationale?

N/A for FIS - not a biller

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 ◯

N/A for FIS - not a biller

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

N/A for FIS - not a biller

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

N/A for FIS - not a biller

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 ◯

N/A for FIS - not a biller - but would observe that this information would be good to receive in order to start a conversation with the payer

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

Yes ◯ No ◯

N/A for FIS - not a biller

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?

N/A for FIS - not a biller

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?

N/A for FIS - not a biller

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

N/A for FIS - not a biller

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

N/A for FIS - not a biller

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?

N/A for FIS, but per response to 1.7 - engineer it in such a way that it is attractive for multiple use cases not just billers. Allow the payee to define whether part payment is allowed, and have an underlying payment rail which gives absolute finality.

Question 2.12

Consumers PSPs Corporates Govt. Vendors SMEs

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 ◉

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

Yes ◉ No ○

Payers who receive a lot of RTPs from their various billers may feel they are being spammed wherever they are as their mobile phone is always with them. In the event that an RTP comes through as a phone notification end users may feel they can never escape being chased for money. In the case of a physical bill or email a payer can decide when to open it. Probably some code

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Question 2.13

Consumers PSPs Corporates Govt. Vendors SMEs

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?

How are disputed transactions managed?
How are refunds / part refunds handled?
Who arbitrates in the case of a dispute?

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 PSPs

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?

N/A for FIS

Question 2.15 Consumers PSPs Corporates SMEs

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

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

N/A for FIS

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

N/A for FIS

c. As a regulator,

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

N/A for FIS

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

N/A for FIS

Question 2.16 PSPs

As a PSP:

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

Yes ◯ No ◯

N/A for FIS

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

N/A for FIS

Question 2.17 PSPs

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 ◯

N/A for FIS

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

Yes ◯ No ◯

N/A for FIS

Question 2.18 PSPs

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?

N/A for FIS

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

N/A for FIS

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 ◯

N/A for FIS

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

Yes ◯ No ◯

N/A for FIS

Question 2.20

Consumers PSPs Corporates Govt. SMEs

As a payer:

a. How would you use Enhanced Data?

N/A for FIS

b. What Enhanced Data would you add to payments?

N/A for FIS - But would observe it would be very useful to have extended invoice information

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Question 2.21

Corporates Govt. SMEs

As a payee:

a. How would you use Enhanced Data?

N/A for FIS

b. What Enhanced Data would you add to payments?

N/A for FIS - But would observe it would be very useful to have invoice information - exactly what goods/services this is for - in an agreed and defined format. The key is getting a standard which everyone agrees to otherwise the value is diluted. This could open up considerable benefits to all involved as well as new business models based around analysis and mining of that data

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?

N/A for FIS

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 (●)

No - but the importance of security is even greater than today in this model so should be taken very seriously. The amount of data potentially in one of these messages - if intercepted and decrypted by a malicious 3rd party - would enable more types of fraud to take place than for the current simple messages. Once the standards are designed it would be worth doing what if

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?

N/A for FIS - But would observe it should be defined who exactly is responsible for the consequences of extended data being inaccurate when it is acted on in good faith.

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.

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 ◉

At the highest level the principles, timeline, risk mitigation, and general thought behind the plan is sound. The plan will undoubtedly change over time but at this stage given the information available it is sensible and well thought through.

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 transition solutions are a particularly important way of mitigating risk.

Question 3.3

PSPs Corporates Govt. Vendors SMEs

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?

Question 3.4

PSPs Corporates Govt. Vendors SMEs

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

Yes (●) No ( )

If not, what timing would you suggest?

Question 3.5

PSPs Corporates Govt. Vendors SMEs

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.

No - but 3.4.2 communications - perhaps needs higher billing than it has in the document. The biggest potential challenge will be communicating to service users, whether consumers or businesses, what these changes are, and how they will benefit everyone. With that in mind trade associations and consumer groups should continue to be engaged throughout to mitigate such

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Question 3.6

PSPs Corporates Govt. Vendors SMEs

Do you agree with our proposed transition approach?

Yes (●) No ( )

If not, please provide your reasoning.

4.0 Cost Benefit Analysis of the NPA

Question 4.1

PSPs Corporates Govt. Vendors SMEs Investors

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

Yes ○ No ◉

If so, please provide details.

Question 4.2

PSPs Corporates Govt. Vendors SMEs Investors

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.

Question 4.3

PSPs Corporates Govt. Vendors SMEs Investors

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 PSPs Vendors

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

Yes (●) No ( )

Please explain.

Question 5.2 PSPs Vendors

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

Yes (●) No ( )

Question 5.3 Vendors

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

Yes (●) No ( )

Question 5.4 PSPs Vendors Investors

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

Yes (●) No ( )

Consider that the funding model may best serve the NPSO if it changes over time during the different phases and maybe during the specify and build phases the model could be different to the run phase.

Question 5.5 Investors

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

Yes ◯ No ◯

N/A for FIS

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

PSPs Corporates Vendors

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

PSPs Corporates Vendors

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

PSPs Corporates Vendors

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 PSPs Corporates Vendors

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

Question 6.5 PSPs Corporates SMEs Vendors

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?

Question 6.6 PSPs Corporates Vendors

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?

Question 6.7 PSPs Corporates SMEs Vendors

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.

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?

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?

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 PSPs Corporates SMEs Vendors

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?

Question 6.12 PSPs Vendors

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

Yes ◯ No ◯

Question 6.13 PSPs Vendors

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

Yes ◯ No ◯

Question 6.14 Vendors

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

Yes ◯ No ◯

Question 6.15 PSPs Corporates

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 PSPs Corporates

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 PSPs Corporates SMEs Vendors

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 PSPs Corporates SMEs Vendors

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**.