

APP Scams Steering Group

Summary of fifth meeting 1 August 2018

Attendees

Ruth Evans, Chair

Lee Bradley, Lloyds Banking Group
Dominic Lindley, independent consumer expert
Alasdair MacFarlane, RBS
Lucy Malenczuk, Age UK
Phil Mawhinney, AgeUK
Richard Piggin, Which?
Faith Reynolds, independent consumer expert
Thaer Sabri, Electronic Money Association
Wayne Stevens, Victim Support
Mark Tingey, Metro Bank
Ben Trim, HSBC
Sam White, Barclays
Sian Williams, Toynbee Hall

Matthew Alder, HM Treasury (observer)
Melissa Dring, National Trading Standards (observer)
Dora Guzeleva, PSR (observer)
Kathryn Hardy, PSR (observer)
Katherine McNulty, Home Office (observer)
Alix Newbold, City of London Police (observer)
Ross Studholme, FCA (observer – Legal Working Group member)
Richard West, Financial Ombudsman Service (observer)

Nick Beesley, UK Finance (secretariat to the Steering Group)
Richard Lloyd, independent reviewer (secretariat to the Steering Group)
Stephen Wilson, independent policy drafter (secretariat to the Steering Group)
Katy Worobec, UK Finance (secretariat to the Steering Group)

Apologies

Brian Dilley, Lloyds Banking Group

The Chair welcomed members and observers to the meeting.

The amended minutes of the meeting held on the 4th June 2018 were accepted.

Some small amendments were noted for the minutes of the meeting held on the 28th June. The steering group agreed these minutes with those changes.

There were no additional actions created from the review of the action log.

Discussion and agreement on second deliverable – Requisite level of care to be taken by consumers & appropriate standard of care expected from PSPs

There was a detailed discussion by the steering group, drawing on discussions had in previous Steering Group meetings and workshops. There was a discussion around a number of outstanding issues that need resolution. The discussion then moved onto the draft interim consumer reimbursement model code (the code) prepared by the independent policy drafter.

The steering group agreed on the standards of care that PSPs are expected to meet, which would incorporate the changes to the drafted text agreed in the meeting. These standards of care include the expectation that banks should take reasonable steps to protect their Customers from APP fraud, such as procedures to detect, prevent and respond to APP fraud. The code also affords a greater level of protection for Customers who are considered vulnerable to APP fraud.

The steering group agreed on the requisite level of care (RLC) that consumers are expected to follow in order to protect themselves from APP fraud, which would incorporate the changes to the drafted text agreed in the meeting.

The steering group reiterated their agreement that a consumer that met their RLC (or were vulnerable as set out in the RLC) should be reimbursed, and that this would be administered by the sending PSP in a timely manner.

It was noted that there had not yet been agreement on how the cost of the 'residual risk' (previously called the 'no-blame' scenario) would be covered. That is, the scenario where consumers have met the RLC and PSPs have also met their standards of care, but the consumer has still fallen victim to an APP fraud.

Whilst there was agreement that consumers that fall into the residual risk scenario should be reimbursed, there was acknowledgement within the steering group that the source of the funding for this reimbursement has not been agreed and this remains an issue where further discussion and thought will be required.

The Chair stated that the independent policy drafter will make the agreed changes to the code, and the next steering group meeting will be used to sign off any editorial changes.

The steering group agreed that the Legal Working Group should review the code from a legal perspective before the next steering group meeting.

The Legal Working Group will meet prior to the next APP Steering Group meeting to review the code from a legal perspective.

The next APP Steering Group meeting is scheduled for the 30th August and will be chaired by Richard Lloyd.