

APP Scams Steering Group

Summary of sixth meeting 30 August 2018

Attendees

Richard Lloyd, independent reviewer (temporary Chair)

Brian Dilley, 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

Wayne Stevens, Victim Support

Mark Tingey, Metro Bank

Ben Trim, HSBC

Jim Winters, Barclays

Sian Williams, Toynbee Hall

Judith Crawford, Electronic Money Association

Anne Macadam, HM Treasury (observer)

Melissa Dring, National Trading Standards (observer)

Kathryn Hardy, PSR (observer)

Katherine McNulty, Home Office (observer)

Amanda Butler, Home Office (observer)

Andrew Laidlaw, FCA (observer)

Simon Rawle, Financial Ombudsman Service (observer)

Nick Beesley, UK Finance (secretariat to the Steering Group)

Nick Van Benschoten, UK Finance (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

Thaer Sabri, Electronic Money Association

Sam White, Barclays

Alix Newbold, City of London Police (observer)

Ruth Evans, Chair

Ross Studholme, FCA

Richard West, Financial Ombudsman Service

Matthew Alder, HM Treasury

The Chair welcomed members and observers to the meeting.

The minutes from the previous meeting were agreed subject to additional comments that a member asked to provide at a later time.

There were no additional actions created from the review of the action log. It was agreed to discuss open actions when discussing relevant issues under other agenda items.

The Contingent Reimbursement Model Voluntary Code

There was a detailed discussion by the steering group, with the aim of agreeing the interim Contingent Reimbursement Model (CRM) Voluntary Code (the code).

The steering group reviewed comments on a draft of the code and the revised draft was then reviewed page by page. There was a particular focus on the requisite level of care for consumers.

The steering group discussed whether gross negligence should be included in the requisite level of care for consumers. It was agreed that it would be included as an additional provision expected of consumers, in addition to the previously agreed provisions. It was clarified that the recent discussion by the Ombudsman about gross negligence was in relation to unauthorised payment fraud and not APP scams.

The steering group also agreed that firms should assess on a case-by-case basis whether consumers are vulnerable to APP fraud and should be reimbursed, and that the code should reflect this.

The steering group agreed the final changes to the interim code, subject to further discussion regarding the consultation document and other issues, and that it should be published for consultation, noting that there are outstanding areas for the steering group to continue to work to resolve and which can be consulted on, such as:

- How the cost of reimbursement will be covered in the scenario where both the consumer and PSPs have met their expected level of care
- How to evidence whether the parties have met their requisite level of care

The steering group began discussions about the consultation paper, which will provide the rationale for the provisions in the code. It will also explain areas of the code and outstanding issues where the steering group is particularly seeking feedback on. Some individual banking PSPs represented at the Steering Group did commit to start putting the standards in the interim code in place from the start of consultation in September. Most PSPs will not have viewed the Code before it is published for consultation, so cannot be expected to start putting it into place for some time and may wait for the final Code before making significant system updates/changes.

Due to a lack of time, the agenda items for reviewing the draft consultation document and governance approach were not covered. In order to afford enough time ahead of the consultation publication, an interim Steering Group Meeting was scheduled for the 13th September to cover the process for code consultation, finalisation and ongoing monitoring.