

APP Scams Steering Group

Public Summary of Eleventh meeting 11 December 2018

Attendees

Evans Ruth, Chair

Crawford, Judith - Electronic Money Association
Dilley, Brian - Lloyds Banking Group
Lindley, Dominic - Independent consumer expert
MacFarlane, Alasdair - RBS
Piggin, Richard - Which?
Reynolds, Faith - Independent consumer expert
Trim, Ben - HSBC

Dring, Melissa - National Trading Standards (observer)
Gleed, Richard - CEPA
Hardy, Kathryn - PSR (observer)
Krishnan, Jai - Home Office (observer)
Longoni, Elisa - PSR (observer)
Mountford, Laura - HM Treasury (observer)
Newbold, Alix - City of London Police (observer)
Rawle, Simon - Financial Ombudsman Service (observer)
Studhome, Ross - FCA (observer)

Beesley, Nick - UK Finance (secretariat to the Steering Group)
Derouiche, Fatiha - UK Finance (secretariat to the Steering Group)
Lloyd, Richard - Independent reviewer (secretariat to the Steering Group)
Rowson, Natasha - UK Finance (secretariat to the Steering Group)
Wilson, Stephen - Independent policy drafter (secretariat to the Steering Group)
Worobec, Katy - UK Finance (secretariat to the Steering Group)

Dial-in

Malenczuk, Lucy - Age UK
White, Sam - Barclays

Apologies

Baker, Nicola - UK Finance (secretariat to the Steering Group)
Stevens, Wayne - Victim Support
Tingey, Mark - Metro Bank
Williams, Sian - Toynbee Hall

The Chair opened the meeting by welcoming the attendees and listing those who had provided apologies. She stated that the minutes from the Steering Group meeting on the 3rd December will be approved at the next Steering Group due to the arrival of late comments which will need to be incorporated.

The Chair went on to request updates from the Working Groups.

No Blame Working Group Update

The No Blame working group co-chair presented on the progress update papers which had been circulated prior to the Steering Group. These provided further thinking on the sources previously identified as possibilities for the scheme. The papers listed several criteria that were used to help determine whether a source of funds should be considered further in more detail. Whilst there was no clear solution yet, it was noted that one critical was whether it would create a disincentive for firms to sign up to the code.

The most likely funding sources were grouped into shorter, medium and longer term options which would all need further consideration. The working group will now consider further and determine the next steps for each of the remaining options.

The Evidential Approach Working Group Update

The Evidential Approach working group co-chair stated that the last working group meeting focused on the issue of vulnerability and good progress was made. All the conclusions were documented and being turned into a user guide which will be made available for PSPs to use including publishing on their website for consumers.

It was also suggested that a practitioner guide was needed to explain the Code, and that the external governing body should oversee how PSPs will comply with the Code.

The next step for the group will be further discussion on possible amendments to the Code resulting from the consultation responses, and considering further the issues highlighted so far at the meetings.

The Reimbursement Process Flow Working Group Update

The Reimbursement Process Flow working group chair updated that there had been progress made on the process for claims and complaints, apportionment and dispute resolutions.

The update report displayed the process when the customer's journey starts with a claim, and when it starts with a complaint, noting that the complaints process brings in defined timescales. The intention is that when a claim is made the PSP will notify the customer that they are able to raise a complaint at any point during this journey. However, the details of this are still to be discussed and resolved within the working group.

The apportionment provisions to the code still has a number of outstanding issues. Of these, the most significant is around where one of the PSPs involved in the payment chain are not signed up to the Code. It was agreed that both the No Blame working group and Reimbursement Process Flow working group will be working jointly to resolve the matter.

There were still ongoing discussions around where both PSPs were at fault and the split of any apportionment between PSPs. These are still being considered.

Draft Code Consultation Responses Review Update

A summary document had been circulated displaying consultation responses by theme with a work in progress section for the Steering Group to consider. Although most of the issues will need to be addressed through the working groups, the aim was also to have the Steering Group members provide views collectively.

It was raised that the competition impact for smaller PSPs still needed further understanding and to be looked into due to new regulatory implementation and further competition challenges.

A consumer representative highlighted concerns about the extend to which Payment Initiative Service Providers (PISPs) would be able to sign up to the Code.

The Chair stated that due to limited time, working groups will be looking at the comments and they will be discussed in more detail at the at the next meeting in January.

Implementation Timeline

A PSP representative introduced the timeline working group paper explaining that the thinking behind their approach was to get as much of the Code out as possible.

One timetable which looks at the Code being dependent on resolving the no blame issue and a second timetable considers where the Code is issued without the no blame issue being resolved.

It was also highlighted that to implement the Code measures would require changes to technology and processes within PSPs. It was also noted that the large PSPs on the Steering Group have started to put some of the measures into place.

The PSP representative went on to explain that governance over the timeliness of implementation would be an issue for the Steering Group to decide on. If the no blame is not resolved, and the Steering group chose to proceed with issuing the remaining elements of the Code, then those who do not get reimbursed under the no blame scenarios would need to be notified that they would have to wait until the no blame issue is resolved.

The Chair raised the issues around the decoupling of the no blame element from the Code and requested more clarification on the governance and reimbursement timetable to be included.

The next Steering Group meeting will be taking place at the PSR offices on the 17th January.