

APP Scams Steering Group

Public Summary of tenth meeting 3 December 2018

Attendees

Ruth Evans, Chair

Judith Crawford, Electronic Money Association
Brian Dilley, Lloyds Banking Group
Dominic Lindley, independent consumer expert
Alasdair MacFarlane, RBS
Lucy Malenczuk, Age UK
Alasdair Reed, Which?
Wayne Stevens, Victim Support
Mark Tingey, Metro Bank
Ben Trim, HSBC
Sam White, Barclays

Melissa Dring, National Trading Standards (observer)
Richard Glead, Cambridge Economic Policy Associates (CEPA)
Kathryn Hardy, PSR (observer)
Elisa Longoni, PSR (observer)
Laura Mountford, HM Treasury (observer)
Alix Newbold, City of London Police (observer)
Simon Rawle, Financial Ombudsman Service (observer)
Alex Roy, FCA (observer)

Nicola Baker, UK Finance (secretariat to the Steering Group)
Nick Beesley, UK Finance (secretariat to the Steering Group)
Richard Lloyd, independent reviewer (secretariat to the Steering Group)
Natasha Rowson, 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)

Dial-in

Faith Reynolds, Independent consumer expert

Apologies

Sian Williams, Toynbee Hall
Richard Piggin, Which?

The Chair welcomed members and observers to the meeting. She welcomed the independent consultant from CEPA that assisted the Chair and Independent Reviewer with anonymising confidential information and compiled the Consultation responses into a summary report for the Steering Group.

The Chair asked the Group if the minutes from the meeting on the 1st November were agreed. As there were no changes, the minutes were approved.

CRM Code Consultation Responses

There was a broad support for the Code but respondents raised concerns about certain elements. There are two concerns that stood out from the report: one being the voluntary nature of the Code which will be discussed during this session and the other being the lack of legal status of the Steering Committee.

It has been suggested by several PSPs that some parts of the code (such as reimbursement) should be mandatory or regulated to ensure consistent outcomes and broad compliance with the code. Some also said it would also help address concerns about the legal risk of issuing the code and could help with resolving the no blame funding

The PSR tabled a paper, explaining why it had concluded that a voluntary industry code was the most effective and efficient way to address the issue of APP scams, referring to the terms set out in PSD2 and its public consultation.

A consumer representative stated that regulation is a stronger tool but given Brexit and legislative timing, pursuing the code as being voluntary, would be good for consumers and good for raising standards across PSPs. The Steering Group should not wait for regulation to start implementing it.

The Chair summarised by saying the Steering Group should look further into legal opinions as to which elements of the code might best be regulated or mandated, whether there were methods other than regulation which could be used to make those elements mandatory, and the issue of PSD2.

The Steering Group discussed options for issuing the code that would address the concerns raised by some members about potential legal issues for the Steering Group. One option is to have the appropriate governing body issue the code. Another option is to set up a legal entity for the Steering Group for the specific purpose of issuing the code and then hand the code over to the appropriate governing body at a later date. The Steering Group will be looking into this further.

A timeline working group presented a paper which set out some of the work still remaining that is required before publication of the Code. The Steering Group discussed what steps PSPs may have to take to implement the code (updating or developing new processes) and that this may take some time with smaller PSPs taking longer.

Due to the lack of time the Steering Group will review the Working Group updates at the next session and will continue going through the consultation responses.

The next Steering Group Meeting is scheduled for 11th December.