



payments
strategy
forum

Emerging Solutions – Priorities; Alignment and Next Steps

14th April 2016

Key milestones

- Working Group Chairs and Independent Evaluators to finalise and conclude analysis of prioritised solutions; including implementation plans / approaches | **April to end May**
- Payments Community Roundtables | **24th and 25th May**
- Additional Forum meeting | **Late May / early June (date tbc)**
- Independent Evaluators to produce DRAFT strategy and issue to Forum. This will include an implementation / sequencing plan that includes other relevant industry projects | **17th June 2016**
- 5th Forum meeting to discuss DRAFT strategy | **27th June 2016**
- 2nd Payments Community event and launch of DRAFT strategy | **13th July 2016**
- Written consultation | **14th July to 26th August 2016**
- Independent Evaluators assess consultation responses with Working Group Chairs and make a recommendation to the Forum | **21st September 2016**
- FINAL Strategy published | **31st October 2016**

Focus between now and June

The Forum needs to recommend a set of credible, strategic initiatives ready for consultation and then for the industry to pursue once the consultation is completed. Credible analysis will be required to support the Forum's recommendations.

- To achieve this the April Forum discussed:
 - priority solutions across the Groups (to be organised in two categories – (1) those which most of the Forum members agree should be pursued and (2) those that require further development and evaluation); and
 - key activities between April and June (incl. organizing work going forward, best use of resources; aligning working group findings & focus for independent evaluation)
- The Independent Evaluators are expected to (ahead of the publication of the draft strategy):
 - Support the Working Groups in completing the required analysis;
 - Consolidate inputs received from the Working Groups;
 - Validate all analysis received, undertaking a gap analysis and conducting further evaluation as necessary; and
 - In close collaboration with the Working Group Chairs, develop a draft of the strategy.

Emerging working group solutions – priorities and alignment

- Each Working Group has independently developed solutions to address detriments allocated to them
- As anticipated these solutions range from tactical and short term to strategic medium and long term
- There are also some potentially “common” solutions of interest across the Groups
- The April Forum discussed and agreed the following:
 - Which of the identified solutions should be included in the draft strategy but don’t require further detailed assessment by the Working Groups and Independent Evaluators
 - Which of the proposed solutions should progress to more detailed development and independent evaluation ahead of June
 - How the work should be organised between now and June

Emerging working group solutions – Immediate Evaluation

- Following a review of the 18 proposed solutions, the Forum agreed that the below items be included in the DRAFT strategy for consultation but don't require further detailed work by the Working Groups. Note: this is not proposing that the remaining solutions not be included, see next slide.
 - **Horizon Scanning Working Group**
 - Horizon Scanning overview
 - APIs for Payment Services – working with the Open Banking Standards Working Group
 - **Simplifying Access to Markets**
 - Common PSO participation model and rules
 - Aggregator solutions
 - Sort code availability
 - More accessible settlement account options –working with the Bank of England's RTGS review
 - **Financial Crime and End User Needs**
 - User awareness and education on Financial Crime and Financial Capability
- These can broadly be defined as being ready for immediate evaluation; they have a relatively small impact on time and resource but still bring benefits to service users
- Including these in the Forum's strategy will provide focus and impetus to planned industry initiatives

Emerging working group solutions – Further development and detailed evaluation / analysis

- Following a review of the 18 proposed solutions, the Forum agreed that the following should be grouped (where appropriate) and progressed to the next stage for further development and detailed evaluation / analysis:
 - a) Data and standards (Marion King / Otto Benz with input from Sian Williams):**
 - Creation of a new simplified payment platform
 - Moving the UK to modern payment messaging standards
 - Enhanced Data Framework and Capability
 - Request to Pay
 - Customer assurance (misdirected payments)
 - Richer / Enhanced Payments Data (taking on board the requirements of both End User Needs and Financial Crime)
 - b) Financial Crime (Russell Saunders):**
 - **These two should be the priority focus for the next stage**
 - Technical Standards for IDVA and Risk Assessment
 - Payments transaction data sharing and data analytics
 - **The following three could have a high execution complexity, to be considered in the next stage**
 - Financial Crime Intelligence Sharing
 - Trusted International KYC
 - Enhancement of Sanctions Data Quality
 - c) PSO Governance Review (Carl Pheasey)**
 - d) Liability in indirect access models (Marion King)**
 - e) Account Number Portability (Otto Benz)**

How to organise and progress the work

The Forum agreed for the solutions on slide 5:

1. The relevant Working Group Chair will be responsible for concluding any remaining work on the solutions and document these
2. Final solutions and documents will be handed to the Independent Evaluators for validation and inclusion in the DRAFT strategy

The Forum agreed for the solutions on slide 6:

1. That small, focussed 'editorial teams' are established to work with the independent evaluators to progress the analysis of the solutions. The teams will be led by the most appropriate Working Group Chair(s). The resource and expertise will be drawn from the existing working groups and selected by the lead.
2. For clarity, the 'editorial teams' will also develop an implementation plan / approach for each solution
3. The four working groups will continue to be engaged but their focus will be on peer reviewing the outputs from the 'editorial teams'.