



Forum Secretariat
Payments Strategy Forum
25 North Colonnade
London
E14 5HS

12 September 2016

THE PAYMENT STRATEGY FORUM – BEING RESPONSIVE TO USER NEEDS DRAFT STRATEGY FOR CONSULTATION

Dear Sirs,

I am writing to you of behalf of the Mobile Payments Service Company Limited (MPSCo) who trade as Paym. MPSCo is the company established to own and operate Paym, the UK's mobile payments service.

Paym is a simple, secure way for payers to send payments straight to a current account from their mobile phone or other personal device using just the mobile number of the recipient – either by selecting it from the mobile phone's contacts book or typing it in directly.

A novel feature of Paym is that anyone using the service to send money is able to confirm the name of the recipient before sending the payment, so they can be sure they're sending it to the right person. The company believes it could readily expand this feature beyond Paym to provide a similar service to payment systems in general. Consequently, we are responding to your above consultation although confining our response to the provision by MPSCo of an Account Name Verification service in support of the requirement you articulate in Chapter 5, under the heading 'Consumers want greater assurance: Assurance Data', where [5.14] refers to providing assurance "that the payment is going to the intended recipient".

Enclosed is a comparison of what Paym could offer versus what the Forum's strategy appears to envisage. If Paym's proposal is supported, this service could be made available to customers much sooner than the timetable outlined for Assurance Data in your draft strategy without compromising the longer term solution recommended by the Forum; should that still be required. Also enclosed is your response template, partially completed, answering just those questions we think are relevant to our proposal. For ease of reference that is Questions 3a, b, c and d, 4a and b, and 20b.

In the consultation document at [7.16] the Forum recommends consolidating three of the interbank PSOs: Bacs, C&CCC and FPS, and states that further consideration needs to be given on whether to include "the non-core services" that these operators are responsible for. Paym is defined as such a non-core service but unlike CASS, which is managed by Bacs, Paym, in case you



thought it was, is not part of Faster Payments Scheme Limited (FPSL) or any of the other PSOs. MPSCo is a separate company from FPSL. It is a company limited by guarantee and operates on a cost recovery basis and currently has the following ten member participants:

Barclays	Clydesdale
Cumberland Building Society	Danske
HSBC	Lloyds Banking Group
Nationwide Building Society	Royal Bank of Scotland Group
Santander	TSB

Participation in the Paym service is open to any licensed PSP which, aside from agreeing to meet the technical requirements for participating in the service, is the sole criteria for participation in the service; which participation brings with it formal membership of the company (akin to being a shareholder). Several challenger banks are in advanced discussions with the company with a view to participating in the Paym service and hence joining the company during 2017.

The underlying technology for Paym is currently provided on an outsourced basis by VocaLink. This is an independent contractual relationship from FPSL's supply arrangement and has no technology overlap or connection with the faster payment service provided by VocaLink to FPSL.

All of the staffing for MPSCo is provided by FPSL on an outsourced basis with the two companies sharing a number of directors in common. MPSCo thus has a close working relationship with FPSL. MPSCo and FPSL have agreed that MPSCo is best positioned of the two companies to meet this particular customer assurance need.

MPSCo's corporate purpose is to enhance the UK economy; it is not a profit seeking entity. MPSCo is motivated to propose this approach because it believes this will optimally support the UK economy.

MPSCo would be keen to work with the Forum in developing its Account Name Verification service. To that end, if there is anything in this response which is unclear or you would like to explore in greater depth please do not hesitate to contact me.

Yours faithfully,

A handwritten signature in black ink that reads 'R. A. Mabbott' with a stylized flourish at the end.

Dick Mabbott
Executive Director, Paym