

FINAL DRAFT Financial Crime, Data and Security

Working Group | Terms of Reference

Background

1. The Payment Systems Regulator (PSR) has a duty to promote the development of, and innovation in payment systems in the interests of those who use, or are likely to use, the services provided by those payment systems (service-users).
2. The PSR has established the Payments Strategy Forum (the Forum) to ensure that changes and innovations in payment systems which require collaboration between firms can happen in an effective and timely manner. It aims to help overcome coordination difficulties and to proactively engage with a broad and diverse range of service-users to put their views at the beginning of the strategy setting process.
3. In preparation for the Forum's first meeting in October 2015, the PSR has been engaged in discussions with around 90 different stakeholders from the Payments Community, to establish common views on key areas or issues that could be addressed strategically by the Forum.
4. Input from these stakeholders was discussed at the Payments Community Event on 17 September 2015, with the aim of further understanding the areas stakeholders felt should be prioritised by the Forum.
5. One area that participants at the event thought should be a priority for the Forum was an assessment of developing centralised financial crime (KYC, AML, Fraud, Sanctions-screening) services utilising payment systems. Participants also suggested that a centralised solution to these issues might be beneficial to competition, by lowering barriers to entry for new players in financial services.

Scope and deliverables

6. The objective of the working group is ***'To engender user trust in safe and certain payments through collaboratively preventing financial crime'*** This group will gather evidence to assist the Forum's considerations on whether and how payment systems can be utilised to help develop centralised functions which meet the above objective.
7. The scope of the working group is to focus on fraud, anti-money laundering, financial crime and counter terrorist financing. To deliver the objective within this scope, the working group will establish three sub working groups to be led by attendees. The three sub groups are:

- **Use Cases** – To develop and refine use cases for the working group to consider when evaluating detriments in the market and support the identification of potential solutions.
 - **Education on the Current Market** – To provide the financial crime working group with background knowledge on current market climate and horizon changes from the perspective of both suppliers and consumers
 - **Legal Issues and Collaboration** – To understand the legal issues which may constrain the delivery of collaborative solutions and identify appropriate methods to relieve these.
8. The Forum can discuss and agree changes to the terms of reference for this group.

Working group operating principles

Chair and membership

9. The Forum will select a working group Chair to coordinate this work, responsible for reporting back to the Forum.
10. The Forum should discuss and agree the constitution of the working group to progress the work. There should be an open call for expressions of interest in actively participating in its work.
11. The PSR, the FCA and Bank of England should be invited to attend working group meetings as observers.
12. The current membership of the working group is listed in the appendix below.

Resourcing

13. The Forum should agree resourcing, including provision of secretariat support to the group and locations for meetings.
14. Working group members will be expected to provide all resources and funding necessary for the group to function effectively.

Meetings

15. The working group Chair will be responsible for convening any meetings necessary to progress the work.
16. The working group Chair should be responsible for presenting the deliverables of the group as required by the Forum.

17. The working group may decide to set up its own sub-groups to progress work on specific matters within the scope of the working group if it considers this will help it to meet its objectives. The Forum should be made aware of the formation of any sub-groups and their purpose and function.

Appendix - Current Attendees and Chair

Attendee	Business
Russell Saunders (Chair)	Lloyds Banking Group
Nick Davies	Department for Work and Pensions, HMRC
Olivia Randell	Barclays
Robert Dooley	Virgin Money
Simon Newstead	Royal Bank of Scotland
Andrew Fone	Financial Fraud Action UK
Andrew Kaye	Transpact
Bill Trueman	Association of Independent Risk and Fraud Advisors
Harshan Kollara	FastENcash
Karen Tyler	Santander
Lauren Hannah	HiFX
Louise Lamb	Hogan Lovells
Luisa Grey	Eazipay
Mick Paisley	VocaLink
Peter Bayley	Visa Europe
Peter Seymour	Laurasia
Peter Tully	Clydesdale Bank
Richard Ransom	Bottomline Technologies
Cate Kemp	Lloyds Banking Group
Andrew Laidlow	Financial Conduct Authority
Tim Yudin	Payments UK
Lana Abdullayeva	Experian
David McPhee	Forum Secretariat
Charles McCready	TISA
Kevin Bridgewater (Observer)	Payments Systems Regulator
Andy Watson (Observer)	Financial Conduct Authority
Lisa Hullah	Clydesdale & Yorkshire Bank
Philip Trevelaven	UCL