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May 2025 update:
This letter is historical.
See our [supervisory correspondence page](#)
for more information and current views.

Dear CEO

Authorised push payment (APP) fraud

You will know that Which? sent a super-complaint titled '*Consumer safeguards in the market for push payments*' to the Payment Systems Regulator (PSR) on 23 September 2016.

On 7 November 2017, the PSR published a report covering work done, including by the FCA, to reduce the impact of scams and a consultation on a contingent reimbursement model. The FCA also published a press statement supporting industry-led initiatives and welcoming the introduction of UK Finance's Best Practice Standards.

The FCA takes APP fraud, and the harm it causes to consumers, very seriously. Financial crime is one of our priorities across all sectors; we want to see a decrease in banking fraud, as we explained in our [2017/2018 Business Plan](#).

APP Best Practice Standards

UK Finance has developed a set of APP Best Practice Standards ('the UK Finance standards'). These set out the standards expected of both sending and receiving banks when dealing with APP fraud. We hope these voluntary standards will become an effective tool in tackling APP fraud, and believe that industry-wide adherence to them could significantly improve the experience of victims.

Factors for your firm to consider

Together with these new standards, we would like you to consider how your firm is tackling APP fraud within the context of the Senior Managers and Certification Regime (SM&CR). The SM&CR aims to reduce harm to consumers and strengthen market integrity by making individuals more accountable for their conduct and competence.

We therefore ask that you consider the following:

- i. Which of your Senior Management Function (SMF) holders has been allocated responsibility for the firm's policies and procedures for countering the risk that the firm might be used to further financial crime, including APP fraud and other payment services fraud?
- ii. Are the senior manager(s) in (i) above ensuring that adequate measures are being taken to address APP fraud and other payment services fraud?
- iii. If you have committed to adopt the UK Finance Standards, how will you incorporate them into your policies, procedures and target operating model?

We expect the introduction of the SM&CR, and adherence to the Code of Conduct Sourcebook (COCON) by SMF Managers and others, to prevent the need for us to take a more interventionist approach to tackling APP fraud. We welcome increased industry management information on this and hope to see more positive trends in fraud prevention, complaints levels and consumer funds repatriation over the coming months. We will continue to consider the impact of these and other industry initiatives in this area and will seek to take further action if we decide it is needed.

You do not need to notify us of any action in response to the three points we have asked you to consider. However, we may want to discuss these considerations in any future contact with you.

Yours faithfully

Andrew Bailey
Chief Executive