

---

---

## Minutes

---

Minutes of the meeting of the  
PAYMENT SERVICES STAKEHOLDER LIAISON GROUP  
Held on 1 December 2016, 15.00 – 17.00  
At Committee Room 02, FCA, 25 The North Colonnade, London

**Present:**

Graeme Mclean, FCA (Chair)	Judith Crawford, EMA
Andrew Laidlaw, FCA (Chair)	Michael Southgate, AFEP
Nilixa Devlukia, FCA	Andrew Cregan, BRC
Jack Wilson, FCA	Briony Krikorian-Slade, UK Cards
Vicky Parr, FCA	Dave Tonge, FDATA
Tim Holbrow, FCA	Faith Reynolds, Financial Services Consumer Panel
Karen O'Donnell, FCA	Dominic Thorncroft, AUKPI
Ewan Willars, BBA	Tim Minall, UK Acquirers Forum
David Song, Payments UK	Vedrana kovacevic-jalisi, EMA
Paul Anning, PIF	Andrew Hopkins, Building Societies Association
Hamish Mcleod, Mobile UK	

**Apologies:**

Elizabeth Fraser, Payments UK	
Kate Johnson, PIF	
Michel Vaugiac, EPIF	
Ali Imanat, FFAUK	

**Minute No.****Actions****1****Agenda**

Attendees agreed to the proposed agenda for the meeting.

**2****a) FCA provisional consultation timing**

The FCA set out some of the options they were considering for when they would consult on PSD2-related rule and guidance changes. This was dependent on the HM Treasury's (HMT) own consultation on its implementing regulations (and to an extent work streams of the European Banking Authority to complete the standards and guidelines it is mandated by PSD2 to develop). HMT stated that it was planning to consult before Christmas. FCA asked for views from participants on FCA providing its consultation on rules and guidance earlier (but on the basis of draft HMT regulations) vs. publishing its consultation after HMT regulations were final. The following points were raised:

- There was a consensus from most participants that early sight of information about the direction of travel would be welcome. Equally the risk was noted of consulting on rules and/or guidance (on which basis industry started planning/spending) only for that to change as a result of HMT's consultation or EBA work.
- FCA noted the feedback and was considering using the SLG, email alerts and FCA website more thoroughly for disseminating information before it formally consulted, noting the need to ensure transparency of any discussions/ information sharing.
- It was noted that information sheets or briefings for industry would be helpful in the interim before the formal consultation began.

**2****b) Industry readiness**

FCA sought views from participants on the perceived major challenges for PSD2 implementation. The following points were raised in addition to timing difficulties:

- Alignment and interaction between PSD2 and the deadline for the CMA's Open Banking API implementation (both have 2018 deadlines). HMT noted the real advantage of the CMA and PSD2 implementation being highly aligned. It would appear to be duplication for the industry to develop a process for access to one type of account (current accounts) mandated by the CMA and for firms to develop a separate process for access to other types of payment account (i.e. those non-current accounts for which access by third parties is mandated by PSD2). It was acknowledged that questions of governance and funding remained.

- One participant also raised the issue of access to accounts falling outside the scope of PSD2 and the open banking remedy (for example, mortgage and savings accounts).
- Uncertainty about the gap between PSD2 implementation deadline of 13 January 2018 and the date of application for EBA regulatory technical standards (RTS) for strong customer authentication (SCA) and secure communication (SCS) (which is approximately autumn 2018). It was also noted that these RTS were an issue for retailers.
- Uncertainty around the protocols for interaction between account servicing payment service providers and third parties (AIS and PIS).
- The absence of a developed market for professional indemnity insurance (which is a requirement for AIS and PIS firms to be authorised).
- Uncertainty around application of PSD2 provisions to corporates (and PSP treatment of corporates under PSD2)
- Uncertainty around the scope of PSD2 requirements, for instance application to e-money firms.
- Uncertainty about regulatory responsibilities relating to data and security and the new types of payment service (AIS and PIS).
- The re-authorisation process mandated by PSD2 for all payment and e-money firms
- Customer education in advance of PSD2

The SLG also discussed the steps various trade associations were taking to coordinate readiness for PSD2. This included:

- Educating and raising awareness amongst members.
- Facilitating working groups to focus on particular areas of PSD2.
- Coordinating European engagement, including with the Euro Retail Payments Board.
- It was noted that there were many questions about the General Data Protection Regulation and AMLD4 amongst members of one trade association. Security was also a big question.

### 3

#### **Account information/ payment initiation**

##### **a) the meaning of accessible online (see Article 66 and 67 PSD2)**

The chair introduced the topic noting that it had been raised as a potential area for discussion at a previous SLG meeting. SLG members were invited to set out their views on the issue.

The following points were raised:

- It was noted that there were some situations where 'accessible online' was more ambiguous than others. For example, where accounts are accessible through private connections, or in private networks. A broader point was made that the 'internet' and 'online' are not defined terms.
- HMT noted that this was not an area where they would seek to provide further clarity in the regulations. HMT took a common sense approach so that broadly, where a customer could access their accounts online, either to make payments or look at data, the same access should be given to third parties under PSD2.
- Participants discussed that this would mean that, for example, credit card data that was not accessible by the customer would not need to be made accessible under PSD2. It was noted that different online channels might provide different functionality for the same account.
- It was noted that from a customer perspective, some people might not want 'traceability' – i.e. may want to remain offline in their dealings with financial services. Others noted that PSD2 did not create an obligation for customers to allow third parties to access their accounts but it would be important to raise awareness and provide clarity to customers on this type of issue.
- **ACTION:** An action was agreed for participants to send the FCA examples of types of account access that were not straightforwardly 'online'.

**ALL**

#### **b) Communicating PSD2 change to customers**

Participants were asked for views about how the industry should raise customer awareness of the changes coming into place as a result of PSD2. The following points were raised:

- Some trade associations noted that customer awareness is not usually a coordinated activity and is usually left to individual members. That said, certain trade associations were considering this issue, as was the Open Banking Implementation Entity.
- The need to coordinate messages to customer well was recognised.
- A consumer representative thought that in the case of PSD2 there would be room for trade associations to raise awareness.

## **4**

### **New authorisation requirements**

SLG participants were informed about the authorisation timelines under PSD2. In Q4 2017 the FCA planned to be

open for new PSD2 authorisations, including of new AIS and PIS providers. It was also a requirement that by July 2018 all existing firms would need to be 're-authorized' to ensure they are meeting all new requirements of PSD2. It was noted that authorisations elements of PSD2 are highly dependent on EBA guidelines which are due to be finalised in July 2017. SLG participants were encouraged to respond to the [consultation](#) on these guidelines which closes in February 2017. SLG participants raised the following points:

- One trade association representing new types of payment services noted that while PSD2 aimed to improve competition, it seemed, especially with the content of the authorisations guidelines, that there was a high barrier to entry for new players.
- There was a discussion about the difference in treatment between credit institutions (CIs), who are not required by PSD1 or PSD2 to be registered or authorised (separately under the PSRs) – and the other firms that are required and must meet the authorisation threshold conditions. Some participants also thought more clarity on how the new PSD2 requirements applied to e-money firms would be helpful.

## **5 AOB/date of next meeting**

The next SLG meetings will take place at the FCA as follows:

10 February 2017 – 10.00-11.30

20 March 2017 – 14.00 -15.30

18 April 2017 – 11.00 – 13.00