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## Minutes

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Minutes of the meeting of the  
PAYMENT SERVICES STAKEHOLDER LIAISON GROUP  
Held on 10 February 2017, 10.00 – 11.30  
At Committee Room E, FCA, 25 The North Colonnade, London

<b>Present:</b>	Graeme McLean, FCA (Chair) Nilixa Devlukia, FCA Jack Wilson, FCA Andrew Laidlaw, FCA Tim Holbrow, FCA James Borley, FCA Laurence Morton, FCA Karen O'Donnell, FCA Measha Patel, HM Treasury Edward Corcoran, HM Treasury Dominic Thorncroft, AUKPI Judith Crawford, Electronic Money Association Benjamin Woodside, Payment Systems Regulator Richard Creed, Association of Foreign Exchange and Payment Companies	Elizabeth Frazer, Payments UK Thaer Sabri, Electronic Money Association Michel Vaugiac, European Payment Institutions Federation Dave Tonge, FDATA Paul Anning, Pre-Paid International Forum Kate Johnson Pre-Paid International Forum Andrew Cregan, British Retail Consortium Briony Krikorian-Slade, UK Cards Association Pam Meadows, Consumer Panel Ali Imanat, Financial Fraud Action UK Ewan Willars, British Bankers Association (BBA) Hamish Mcleod, Mobile Broadband Group
<b>Apologies:</b>	Faith Reynolds, Financial Services Consumer Panel & Consumer Network Andrew Hopkins, Building Societies Association	Ruth Wandhöfer, European Banking Federation Payments Regulatory Expert Group Tim Minall, UK Merchant Acquirers Forum

**Minute No.****Actions****1****Agree agenda**

Attendees agreed to the proposed agenda for the meeting.

**2****Update on PSD2 timing**

The FCA noted that the PSD2 pages of the FCA website had been updated to provide factual information for firms.

The FCA stated that its intention was still to consult as soon as possible, and to do so before HMT regulations were laid. The FCA noted there were some dependencies on work being undertaken by the European Banking Authority (EBA), which might necessitate follow up publications. These publications might also include certain forms, such as authorisation forms. However, the majority of the substantive policy issues would be covered in the initial consultation.

It was queried whether the FCA would have capacity to deal with the high volume of applications for authorisation and registration. The FCA stated that it had built in time to consider applications.

**ACTION:** the FCA invited insights into expected authorisation application volumes, where this was known by SLG members.

**ALL**

An attendee questioned whether there would be guidance on the additional information that needed to be provided by existing payment institutions and E-money firms to the FCA under PSD2. The FCA clarified that it intended to provide guidance on this once the relevant EBA Guidelines were finalised.

It was queried what would determine whether a business would be providing account information services (AIS) or payment initiation services (PIS). The FCA clarified that this would be determined by HMT regulations, and the FCA would look to provide further clarity through guidance.

**3****HM Treasury (HMT) update**

HMT stated that a number of focused roundtables would be held in the coming weeks on certain topics in HMT's PSD2 consultation. While these roundtables would be limited to certain firms, all responses to the public consultation would be fully considered.

HMT stated its intention to lay regulations by end June - July 2017, but clarified that these would not be effective until 13 January 2018. The FCA noted that certain aspects would begin earlier, where this benefitted firms, such as allowing authorisation applications in advance of 2018.

**4****Discussion of reporting and notification requirements**

### AIS/PIS denial of access notifications

The FCA invited comments on its initial thinking for the approach (subject to consultation) to the PSD2 requirement for account servicing payment service providers (ASPSPs) to notify the FCA when they deny access to an AIS or PIS provider to a payment account. The FCA did not expect to be inundated by such notifications because access can only be denied under limited circumstances: where the ASPSP has reasonably justified and duly evidenced reasons relating to unauthorised or fraudulent access to the payment account by that ASPSP or PISP, including the unauthorised or fraudulent initiation of a payment transaction. The following points were raised:

- It was queried how often a notification about a particular denial of access should be provided.
- It was questioned whether a further notification should be provided when the issue used as justification for access denial was resolved by a provider of AIS or PIS.
- It was questioned whether the FCA would receive an excessive volume of notifications, and have difficulty processing these.
- It was stated that a notification form should be designed such that completion of it could be automated by the ASPSP.
- It was suggested by an attendee that the notification form may need to be changed over time to reflect practical experience.
- It was suggested that guidance was needed on how the form should be completed.

### Fraud reporting

The FCA invited comments on its initial thinking for the approach (subject to consultation) to fraud reporting, as mandated under PSD2. The following points were raised:

- It was queried whether the FCA could just collect information on the channel used to execute fraud under PSD2, and not go beyond this.
- It was suggested that the fraud reporting form should have clear categories for respondents to report against.
- It was queried whether the form should include prevented fraud losses.
- It was queried whether cash payments would be included within fraud reporting. The FCA noted this was not within the remit of PSD2.

### **Complaints reporting**

The FCA noted that PSD2 introduced new complaints handling timeframes for payment services complaints, with complaints to be resolved within 15 business days (35 business days in exceptional circumstances). The FCA was aware that some firms

anticipated difficulty differentiating PSD2 complaints from other complaints

The FCA was considering what reporting was necessary to monitor this PSD2 requirement, and invited views on this. The following points were raised:

- It was questioned whether complaints reporting would only include complaints that the Financial Ombudsman Service would consider (ie eligible complainants).
- It was queried whether the calendar year should be used for reporting rather than the accounting reference date.
- It was queried whether any complaints reporting would include complaints related to fraud.

**ALL**

**ACTION:** SLG members to provide further feedback on the FCA's approach to implementing reporting and notification requirements as soon as possible, and by no later than COB 24 February.

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#### **AOB/next meetings**

There was no further business for discussion.