

Default standards for sandbox testing parameters

Duration	Sandbox is intended for testing for a limited duration. Testing duration should be long enough to enable statistically relevant data to be obtained from the test. The majority of stakeholders at our sandbox event agreed that 3 to 6 months was an appropriate duration for testing.
Number of customers	Sandbox is intended for small scale testing and we will set a strict limit to the size of the test. Customer sets should be big enough to enable statistically relevant data to be obtained whilst managing the risk to customers and practicalities of obtaining the customers for the testing period.
Customer selection	We expect firms to source customers themselves for testing in the sandbox. The type of customers should be appropriate for the type of innovation and the intended market, but also to the type of risks they are exposed to.
Customer safeguards	<p>The FCA will ensure that firms have appropriate customer safeguards in place. We will agree on customer safeguards on a case-by-case basis within the below standards:</p> <ul style="list-style-type: none"> • Retail consumers – this type of customer should not bear the risks of sandbox testing, thus, they should always have the right to complain to the firm, then to the Financial Ombudsman Service and have access to the Financial Services Compensation Scheme if a firm fails; • Sophisticated customers – depending on the specifics of the trial, and if legally possible, we could consider tests that only engage with sophisticated customers who have consented to limiting their claim for compensation ('informed consent'); • Additional safeguards – depending on the size, scale and risks from the trial, additional safeguards may be necessary, e.g. disclosure about being involved in a sandbox test to retail consumers.
Disclosure	For those customers who are engaging in the sandbox under informed consent, firms should disclose information about the test and the available compensation to them (including in the event of firm failure).
Data	The FCA is not responsible for the provision of data to firms testing in the sandbox.
Testing Plans	<p>Testing plans should include:</p> <ul style="list-style-type: none"> • A plan for testing in the sandbox setting out the timeline and key milestones • Measures for success for testing • Testing parameters (duration, customer/transaction limit) • Customer safeguards • Risk assessment • Exit strategy