



Minutes – Standards Advisory Panel (SAP)

27 April 2020

**Attendees: [NB
all by phone or
videoconference]**

Members:

- Jana Mackintosh
- James Barclay
- Domenico Scaffidi
- Toby Young
- Robert White
- Shriyanka Hore
- James Whittle
- James Southgate
- Andrew Cregan
- Brendan Reilly
- Ralf Ohlhausen
- David Llewelyn
- Andy Young
- Karen Braithwaite

- Chair (Worldpay)
- JP Morgan
- Volante
- Ebury
- Santander
- Oracle
- Pay.UK
- Bank of England
- British Retail Consortium
- Silicon Valley Bank
- PPRO
- HomeServe
- LV=
- Barclays

Observers:

- Oli Bogaerts
- Ben Woodside

- Financial Conduct Authority
- Payment Systems Regulator

Other attendees:

- Bank of England & Pay.UK Secretariat

Apologies:

- Jo Oxley

- Government Banking Service
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Item 1: Welcome and Introductions

1. The meeting was hosted by Pay.UK. Some internal structural changes were announced. Pay.UK’s Head of Standards is now Acting Director of Standards and Strategy allowing the previous Director to focus on NPA delivery.

Item 2: Role of Pay.UK in Setting Standards

2. Pay.UK is developing a methodology that will help to define its role in setting standards in one of three capacities: as a payment systems operator, a guardian of the payments ecosystem or as a market catalyst. This methodology will assist Pay.UK in deciding whether to mandate a standard. It will also help to define the boundaries of its standards setting activities since standardisation can take place in the central clearing and settlement infrastructure as well as in the wider ecosystem and can involve other participants or entities involved in standards setting. Feedback from the Pay.UK NPA Standard

Consultation is helping to shape the methodology. A slide was shown to help demonstrate the thinking around this topic.

3. It was noted that there is no standard definition of 'mandatory'. SAP members recommended that Pay.UK define exactly what this means in practice including, at the appropriate time, which data fields are mandatory. Pay.UK responded that the consultation feedback will help to identify what is mandatory, for example by confirming that the six 'non-regret' messages proposed by Pay.UK are necessary in order for clearing and settlement to take place. Any mandated fields beyond this will depend on the respective NPA proposition or service. However, some propositions (e.g. those dealing with fraud) will be defined together with the wider industry. Pay.UK will also need to evaluate the impact of mandating a standard on its risk appetite and whether it has the commensurate controls and oversight in place to do so. In all instances, Pay.UK will work with the industry on what data fields are preferred and what should be mandated. It will be clear about its role and what it is trying to achieve.
 - a. SAP members recommended that Pay.UK consider who would be in scope for standards that are mandated, for example direct participants or entities in the wider ecosystem. If Pay.UK is validating the actual "correctness" of any data, this could have risk and liability implications that must be understood. There are also risk and liability implications if the wrong data is deliberately entered into certain fields (e.g. purpose codes). SAP members requested that Pay.UK and Bank of England work towards common outcomes across CHAPS and the NPA in areas of mutual concern such as fraud prevention.
 - b. Pay.UK should clearly define the concept of a 'standard' as there are different interpretations. It should guard against mandating standards in areas where competition and innovation would produce better outcomes, for example in the multiple signatories/authorisation process as proposed in the consultation.
 - c. Pay.UK will work on a skeleton version of the methodology and bring it to the next SAP meeting for discussion. This will include examples of services that may be offered by the NPA and how Pay.UK could potentially set standards in these areas using one of the three approaches: as PSO, guardian or market catalyst **(Action – Pay.UK)**.

Item 3: SWIFT IP+ Developments

4. Pay.UK sought SAP members' views on SWIFT Instant Payments Plus (IP+), an initiative which aims to create global ISO 20022 market practice and implementation guidelines for instant payment schemes that support cross-border payments. Members suggested inviting SWIFT to the next meeting of the SAP to discuss the initiative in more detail as there is a desire to understand what is being proposed and how it aligns with other activity in this space **(Action – Pay.UK)**.

Item 4: Card Identifier Standards

5. Pay.UK is engaging with UK Finance on card identifier standards. There is clear appetite from Pay.UK participants to undertake work in this area but the activity must sit within Pay.UK's risk appetite and be commercially viable for the company. A SAP member pointed out that standards specific to cards may have an impact on non-card standards in future as cross-fertilisation is increasing, e.g. different

payments are starting to use the card rails. Pay.UK will provide an update at the next SAP **(Action – Pay.UK)**.

Item 5: Any Other Business

6. Pay.UK gave a high-level summary of the feedback received to date on the NPA Standard Consultation. There is a great deal of support for what is being proposed with some challenges in the area of multiple signatories/authorisation as mentioned above. Pay.UK will need to take time to think carefully about the comments received before determining the next steps. An update will be provided at the next SAP meeting **(Action – Pay.UK)**.

Close of Meeting.