

# APP Scams - PSR Industry Engagement Session 4

14 May 2024

# Purpose and agenda

Thanks for joining today's session. We will be hosting a series of fortnightly engagement sessions to support industry readiness. These sessions give in-scope PSPs the opportunity to ask questions and seek clarity on the FPS APP scam reimbursement policy.

## Over the next 1.5 hours, we'll be discussing:

- 01 CHAPS follow up | *Daniel Spencer (PSR) – Samantha Leighton (Bank of England)* | 10 minutes
- 02 Consumer communications | *Paola Crosetta – Emma Bailey* | 15 minutes
- 03 FPS participants list | *Jon Williams* | 15 minutes
- 04 Pay.UK - Contracts | *Humera Yakub – Jon Jones* | 15 minutes

Given the number of attendees and the content to cover, please:

- Mute microphones unless you are speaking
- Raise hands virtually to ask questions
- Do not feel the need to echo others' views
- If you leave a comment in the chat, we will try to get to it or we will review it after the call
- A copy of these slides will be shared after this session.

# CHAPS – Follow up

# Reimbursement requirement in CHAPS

- We are currently consulting on a proposed specific direction to CHAPS participants (CP24/8, which can be found on our website here:  
<https://www.psr.org.uk/media/u0bhtbwv/cp24-8-chaps-app-scams-reimbursement-may-2024.pdf>).
- Your responses to our consultation can be sent to [appscams@psr.org.uk](mailto:appscams@psr.org.uk).
- Alongside this consultation, we have published the CHAPS reimbursement rules – drafted by the Bank of England.
- The Bank is separately taking comments on these, which can be sent to:  
[chapsappfraud@bankofengland.co.uk](mailto:chapsappfraud@bankofengland.co.uk).

**Deadline for responses to both is 5pm on 31 May 2024**

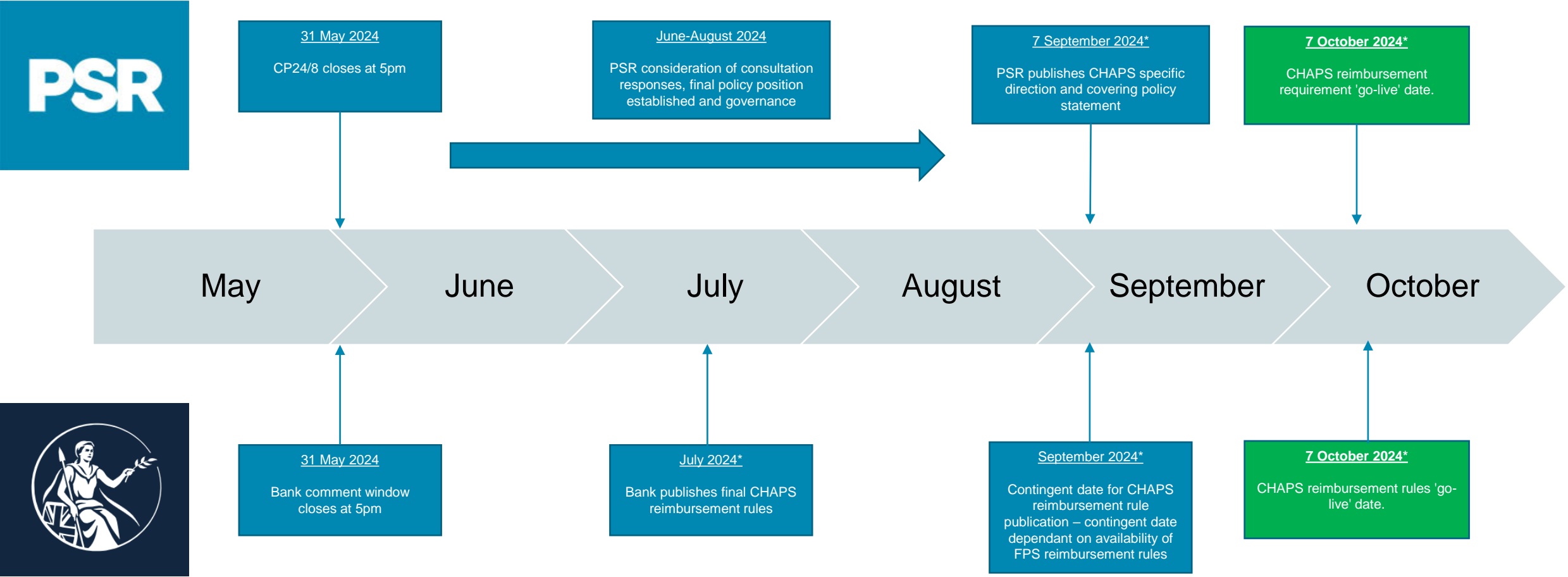
# Notable differences between CHAPS and FPS reimbursement rules

Area	Difference
Inter-PSP reimbursement	Sending and receiving PSPs should agree the payment system to be used for sending the reimbursable contribution amount. Pay.UK require this to be via FPS.
Hybrid claims	CHAPS reimbursement rules refer to “Hybrid” claims, i.e. where there is a mix of <i>CHAPS APP scam payments</i> and <i>FPS APP scam payments</i> as part of the same APP scam claim
Inter-PSP communication	There are no references to updating a central claim record – instead, the CHAPS reimbursement rules refer to provision of information bilaterally between the Sending PSP and Receiving PSP. This may include use of the UK Finance Best Practice System.
Reporting on compliance	Reporting will be via email to the Bank directly initially rather than via Pay.UK’s system. Reporting will initially be based on Reporting Standard A only

# Publication timeline\*

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\*subject to consultation responses



# Consumer communications - update

# Introduction

- We are thinking about what we can do to **support compliance with the proposed requirements in Specific Direction 20**, on which we are currently consulting, to deliver good outcomes for consumers.
- We want to **support the work already happening across industry** to prepare for the policy start date, including in respect of **consumer communications**.
- **We don't want to duplicate efforts or place any additional burden on industry**, but rather we are looking at how we can **enable effective and consistent messaging in the interests of consumers**, in support of the work already underway.
- We'd like to share our thinking on what we consider to be the **key consumer outcomes**, and we welcome your views. We'd also like to hear how these align with work already underway in industry.



# Our proposed amendments to Specific Direction 20

It is important that consumers have a clear understanding of the reimbursement policy and how it impacts them. We are consulting on amendments to Specific Direction 20 as follows:

- 6.1 - *By 7 October 2024 all directed PSPs, whether or not they are members of the Faster Payments Scheme, must have **informed their existing consumers of their rights under the FPS reimbursement requirement and reimbursement rules.***
- 6.2 - *From 7 October 2024 all directed PSPs, whether or not they are members of the Faster Payments Scheme, must have arrangements in place **to inform any new consumers of their rights under the FPS reimbursement requirement and reimbursement rules at the latest by the time they provide those new consumers with their services.***
- 6.3 - *Consumers must be **informed in the same manner in which the PSP would notify their consumers of changes** to the way in which they provide their services.*

The consultation sets the expectation that **PSPs continue to have regard to their obligations under the FCA Consumer Duty**, as this is key to building trust and confidence in the system.

# The consumer outcomes we are looking to support delivery of

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Consumers receive consistent core messaging about their rights under the policy, regardless of who their PSP is

Increased consumer awareness and understanding of what they can expect if they fall victim to an APP scam and make a claim for reimbursement

Consumers are aware of the steps they can take to protect themselves from an APP scam, and how their PSP can support them

In supporting delivery of these outcomes we want to leverage existing work already underway, including existing engagement channels and opportunities

**Specific Direction 20**, as currently being consulted on, requires PSPs to inform consumers of their rights under the policy, and in the same manner that they would notify consumers of changes in the way they provide their services.



## The scope of protections

How to make a claim, the excess, maximum limit and time periods for making claims and them being resolved



## What consumers can expect

How the PSP will engage with the consumer  
Alternative methods to resolving the claim are open to the consumer, if they're unhappy with the claim outcome



## Prevention

We also think there is merit in PSPs considering how to raise consumer awareness of how to protect themselves from an APP scam and the protections the PSP has in place.

PSP consumer protections and prevention activities

Steps consumers can take to protect themselves from an APP scam

We look forward to supporting stakeholders on consumer communications, including during industry-led discussions and work planned and underway.

Please do respond to the [CP24/3 APP scams reimbursement and compliance monitoring](#) consultation which asks a question on our proposed amendments to SD20 on consumer rights.

# Faster Payments Participants' List

## Specific Direction 20

### List of FPS participants

- A full list of PSPs which participate in FPS is important for industry awareness and engagement
- PSR directed providers of access to FPS to submit lists of their PSP customers by 31 March
- PSR provided that list to Pay.UK to help engage with Faster Payments PSPs of all types
- PSR asked for information in a standard format
- Statistics
  - 11 providers of indirect access responded
  - 1228 individual records of participants
- PSR will publish imminently the list of FPS Participants – both direct and indirect – based on submissions received
- Any additions or corrections to the published list can be set to [appscams@psr.org.uk](mailto:appscams@psr.org.uk)

Pay.UK



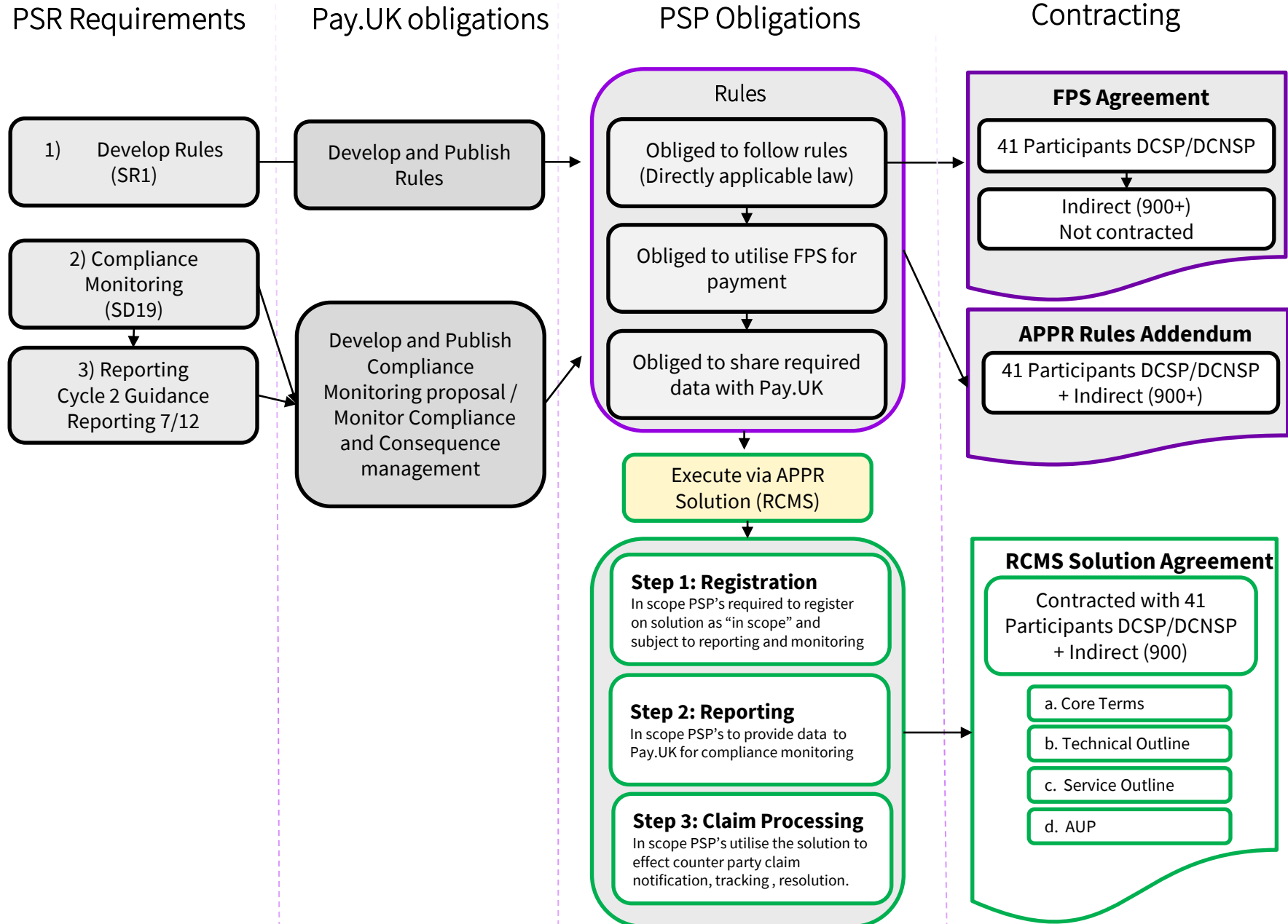
# Reimbursement Claims Management Solution

Contracting Overview for PSR Overview

14 May 2024





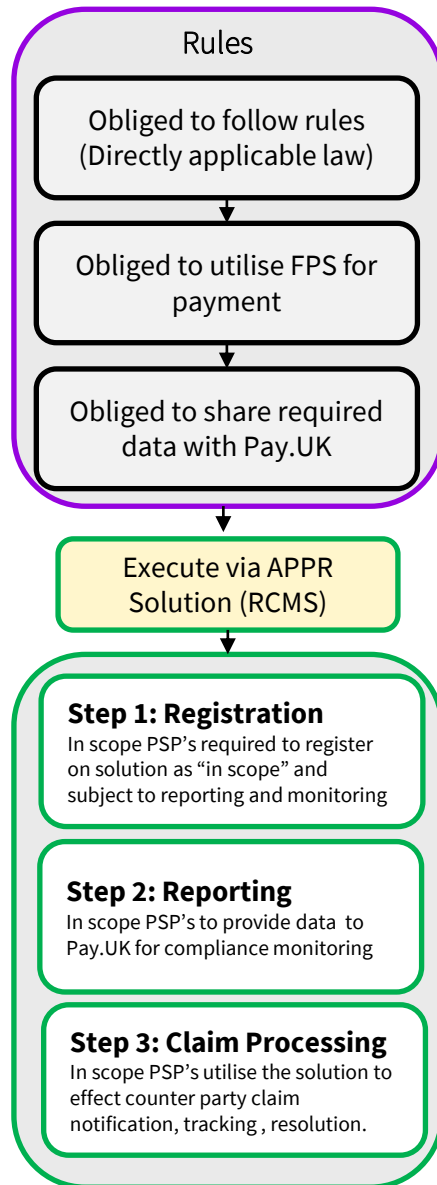


No major changes anticipated and no requirement for signature

Due to be issued 7<sup>th</sup> June

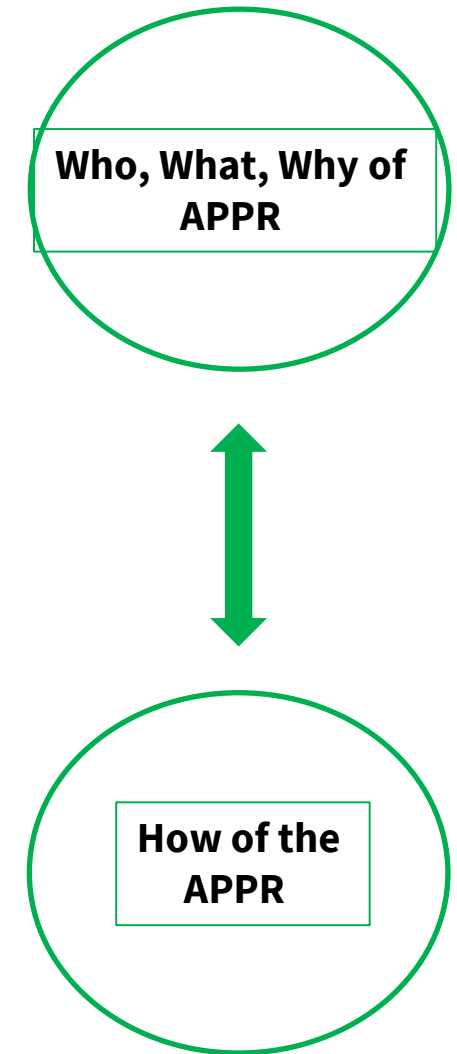
Solution contract development for Directed PSPs

- 900+ customers will require digital agreements
- Two Contracts
  - Core (Reporting)
  - Core + Claim Management

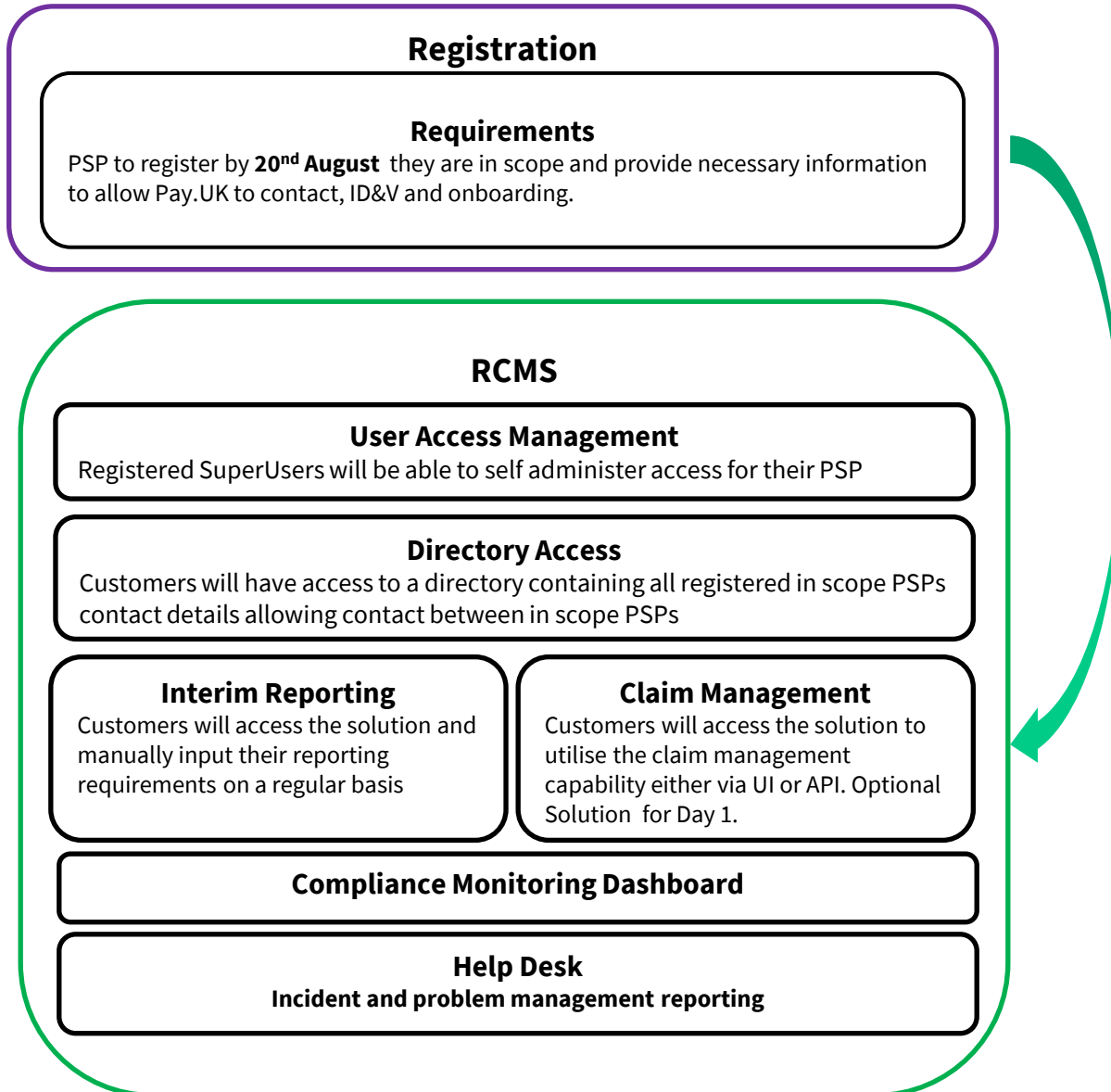


PSP's will be participating in APPR as follows:

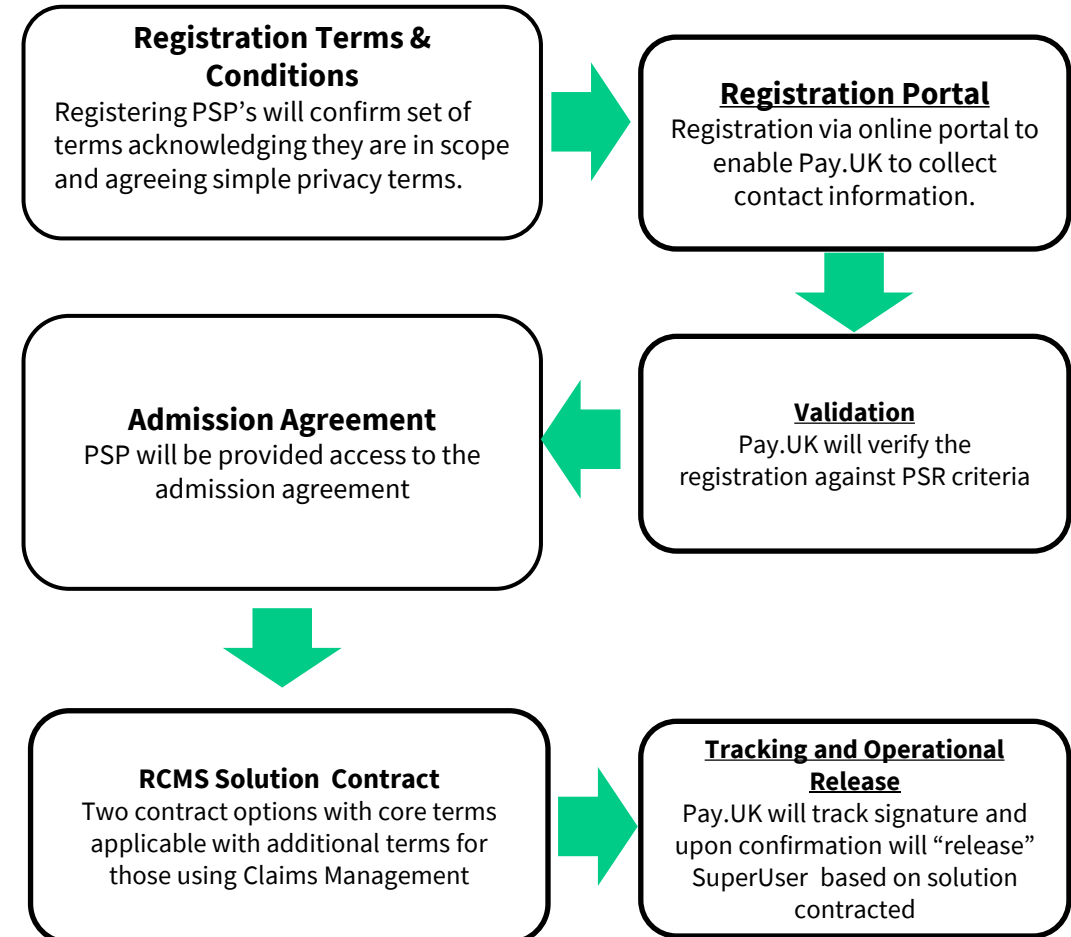
- The Rules – will set and define obligations to all:
  - Defines in Scope PSP's (under public law)
  - Directly applicable obligations
  - Defines the obligations of PSPs for reimbursement .
- The RCMS Solution Contract
  - Define the solution provided by Pay.UK
  - Recover the costs of running the solution and the rules
  - Define the core terms between the operator and participants for providing the solution
  - Define the data sharing between operator and participants



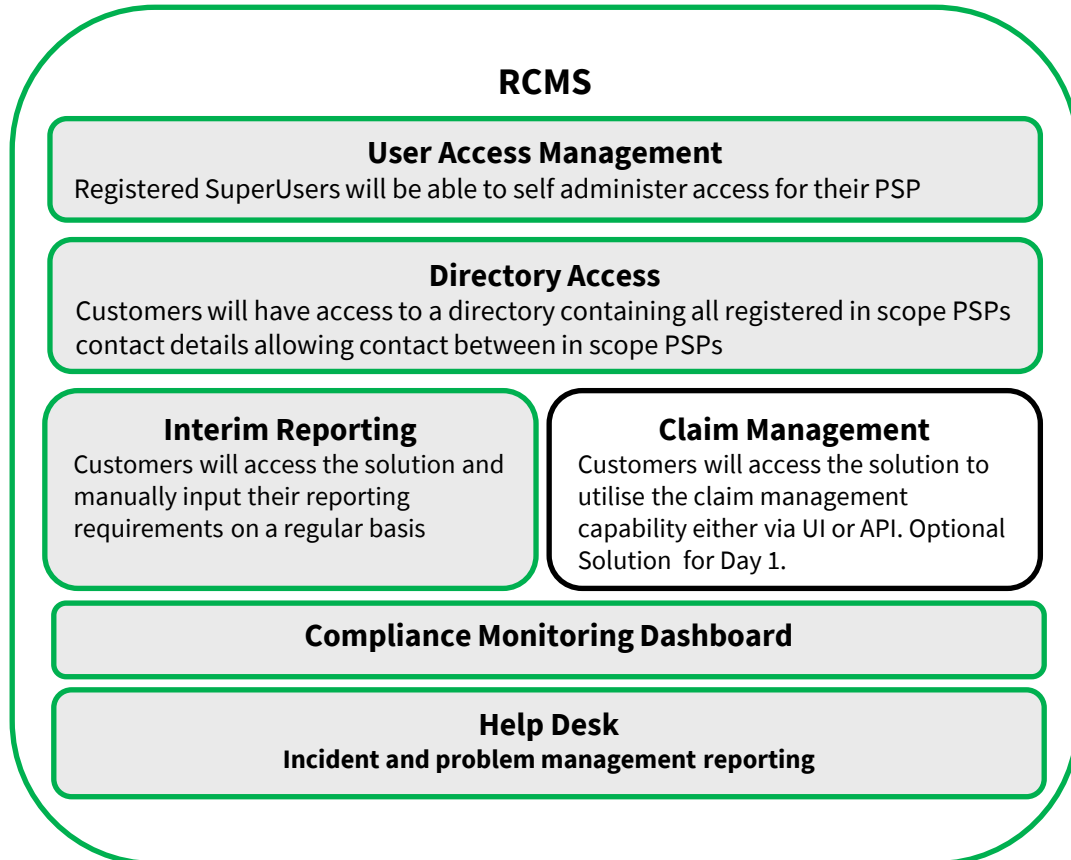
# APPR Solution Approach for Contracting



## Contracting Process



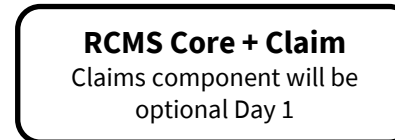
# APPR Solution Approach for Contracting



There will be two contracts for Day 1

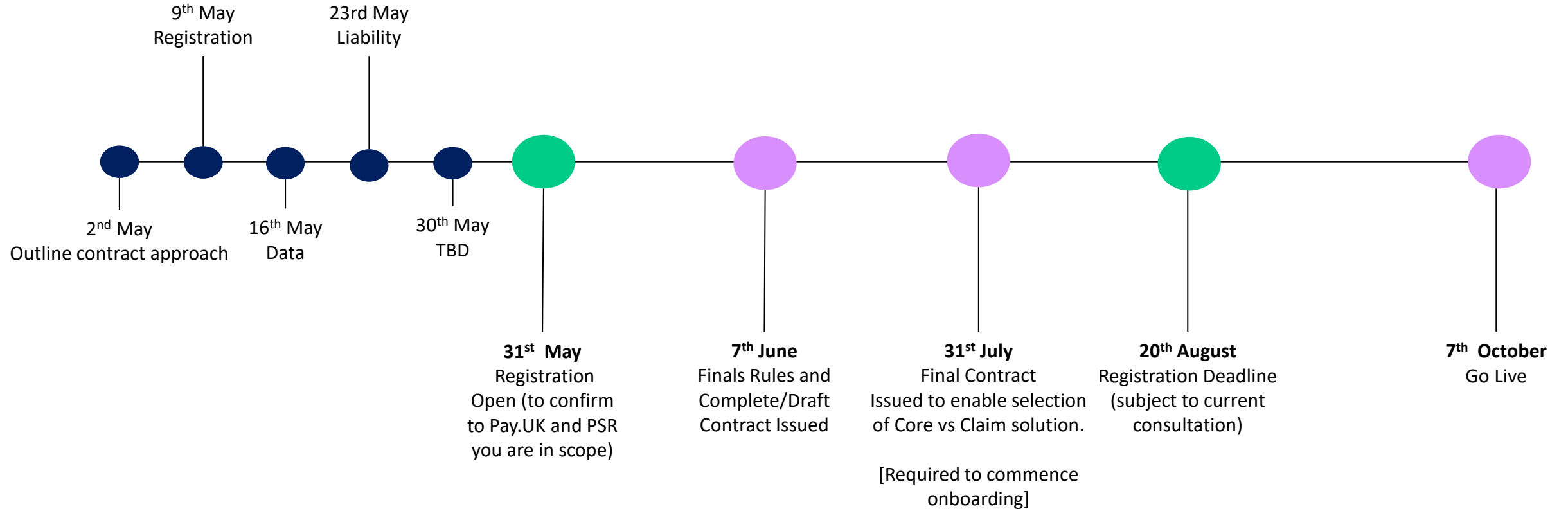


- Will be required to enable reporting Day 1
- Directory will support cross platform sharing



- Access to Core solution
- Claims solution optional Day 1

# Legal Engagement and Key Timeline



\*Dates provided are indicative and may be changed

Next session will take place  
on 03 June 2024. Please  
register online on our website.  
Details and registration form  
will be uploaded soon.

## Reminder: Upcoming deadlines

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Voluntary questionnaire – Open until 17 May

CP24/3: Compliance and monitoring consultation –  
Open until 28 May

CP24/8: CHAPS consultation – Open until 31 May