

Chris Hemsley, Managing Director

Payment Systems Regulator

CC: Genevieve Marjoribanks, Nick Davey, PSR,

CC: Pay.UK Confirmation of Payee Phase 1 Participants and Phase 2 Participants

25 June 2021

Dear Chris,

SD10 Firms' Commitment to Deliver Open Banking CoP Role Profile by 31 December 2021

It is almost 12 months since Specific Direction 10 ('SD10') came into effect, requiring the UK's six largest banking groups and building society to provide Confirmation of Payee ('CoP') checks for Faster Payments and CHAPS transactions.

The PSR's recent Call for Views CP21/6 on CoP demonstrates that the service has improved security, reduced errors and strengthened customer confidence when making a payment to a new payee.

Securing further coverage of CoP is a high priority both for the industry and the PSR. We want to work towards more participants joining the service. At present some cannot join either because they are ineligible within the rules of the Open Banking service or because the necessary Pay.UK rules and standards don't exist.

We are writing to provide a public commitment to deliver the necessary Open Banking CoP role profile changes by the end of 2021. We make this commitment because this is the right thing to do, to open up access and enable a wider suite of firms to join and participate in the CoP service.

Participation by more PSPs will provide greater ubiquity of service and therefore strengthen the benefits of CoP for all. We want to provide you, the rest of the industry and customers with certainty about our plans so that all firms who want to progress delivery have the confidence that there will be broad market coverage in this new environment.

We are pleased to say that the migration plans for the role profile are on track for the SD10 participants. These have been developed in tandem with Pay.UK and other firms as the requirements for each element of the Pay.UK roadmap have become available. Subject to unforeseen circumstances or changes to the agreed Phase 2 Pay.UK Rules and Standards, we expect to have enabled the new CoP Role profile by 31 December 2021 at the latest. We continue to keep all CoP participants, Pay.UK and the PSR fully informed as part of the regular working groups and senior oversight sessions. Dual running in both the Phase 1 and Phase 2 environments will be in place until at least the end of March 2022, to allow an orderly migration of all participants.

We believe that this public commitment to our plans should also provide the PSR with assurance that a further direction on SD10 participants is not required, and to consider revoking it fully.

Individually, we will of course respond to the Call for Views on CoP on the full range of issues raised, including Secondary Reference Data, and continue our bilateral engagement with you and Pay.UK about our progress.

Yours sincerely,

Bank of Scotland plc, Lloyds Bank plc - John Chambers, Group Chief Information Officer, Lloyds Banking Group

Barclays Bank UK plc - Gillean Dooney, Managing Director, Current Accounts and Payments

Barclays Bank plc - Karen Braithwaite, Global Head of Transaction Banking, Barclays Corporate

HSBC Bank plc – Colin Bell, CEO

HSBC UK Bank plc – Ian Stuart, CEO

NatWest Group – Alison Rose, CEO

Nationwide Building Society – Joe Garner, CEO

Santander UK plc – Nathan Bostock, CEO

Firms directed under the PSR Specific Direction 10 on Confirmation of Payee, August 2019 and varied February 2020