**JROC Workplan Implementation Group (JWIG) – 7 October 2024**

**Attendees:**

Chair: Luke Ryder (OBL) up to and including status update, then Henk Van Hulle (OBL) for remainder of the meeting

Secretariat: John Crossley (OBL)

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| **Name** | **Company** |
| **Henk Van Hulle** | OBL |
| **Luke Ryder** | OBL |
| **Richard Koch** | OBL |
| **John Crossley** | OBL |
| **Christian Delesalle** | OBL |
| **Ian Pegg** | OBL |
| **MB Christie** | OBL |
| **Claudio Pollack** | OBL |
| **Danh Nguyen** | OBL |
| **Richard Martin** | PSR |
| **Renuka Rawlins** | Revolut |
| **Ruth Mitchell** | EMA |
| **Isabel Pitt** | Nationwide |
| **Tony Herbert** | Which? |
| **Philip Mind** | UK Finance |
| **Jack Wilson** | Truelayer |
| **Ghela Boskovich** | FData |
| **Nilixa Devlukia** | OFA |
| **Matt Wallace** | OBL |
| **Riccardo Tordera** | Payments Association |
| **Adam Jackson** | Innovate Finance |
| **Robert Driver** | UK Finance |

**New Actions Arising:**

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| --- | --- | --- |
| **Ref** | **Action** | **Owner** |
|  | None |  |

**Previous actions:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref** | **Action** | **Owner** | **Status** |
| 09/9-01 | Share the MLA operator approach paper with JWIG members | JC | Closed |
| 05/8-01 | Attendees to review Terms of Reference and provide comments by 12 August | All | Closed |
| 05/8-02 | RK to bring an update to the September JWIG on the WS3 consumer protection scope and approach | RK/JC | Closed |
| 05/8-03 | RK to circulate the packs from other governance meetings | RK | Closed |

**Summary of meeting:**

Welcome and introduction.

* LR opened the meeting and informed that HVH was in the overlapping JROC Board meeting.

Minutes

* Minutes from the previous meeting were approved.

Plan on a page

* JC provided an overview of the plan on the page. He noted that WS3 will be amended to reflect the change request subject to it being approved.

Status update

* Ian P provided an overview of the programme status. He made the following points:
  + WS2b is now reporting green as the volume of transactions with TPPs is increasing.
  + WS3 will move to green if the change request is approved.
  + WS5.2 has moved to green following the agreement on the disputes tool.
  + WS5.4 is now amber with an activity plan being developed.
  + Roundtables have been held on WS1 and report provided to the FCA.
* IP was asked he can share the activity for the development of the commercial framework prior to the PSR announcement? RK said this may be premature as it is still subject to the PSR announcement and will need to dovetail with the PSR’s plans.

MLA operator update

* JC provided an update on the progress that has been made to date on the wave 1 MLA operator and outlined the latest thinking.
* One member asked what the liabilities were and how they could be mitigated.
  + RK explained that they were difficult to quantify but liabilities could be created from operating the wave 1 MLA, e.g. via arbitration, penalties for non-compliance, decisions on which firms are allowed to join, personal info handling/processing, etc. He explained that these are very hard to mitigate these completely. If OBL were to have a direct role in the MLA operator then it would be exposed to these liabilities, which in turn would need to be passed onto the CMA9 banks should it threaten OBL’s financial sustainability. He further explained that the CMA9 banks see this is an impediment to progress as it is something they are willing to accept.
  + The member then asked whether any schemes had been sued in the past? They felt there was a need to put a ‘dose of reality’ on this and there was insufficient substance to make a call on the decision given the lack of quantum or probabilities.
* One member challenged the timelines for the decision.
  + RK said that we are setting out the option to be progressed. The aim is to find industry consensus and get views from JROC on way forward. From this point the aim is that wok through the details of the chosen option. RK stressed that the direction from JROC is to have the foundations in place in Q1 2025 to allow VRP transactions to flow. We are working to this timeline unless there is agreement from JROC to change this.
* One member said that they had no strong preference for one of the options, but it wanted to check that end users and consumer protections will be central to the approach.
  + JC confirmed that this would be the case.
* One member stressed that TPPs need to put consumers at heart of this business and that given the low-risk nature of wave 1 more should be done to minimise the barriers to progress.
* One member stressed that the sectors being considered for wave 1 will have consumer protections via alternative methods but not via VRPs and hence this should be made clear to consumer groups.
  + DN commented that the existing protections for each sector will continue to apply for VRP transactions (e.g. statutory and sector-based protections)
  + RK said that consumers will have recourse to FOS.
  + The member raising the issue that there will be no card-like protections and no equivalent to the DD protection scheme.
  + Another member said it was not true to say that no protections comparable to DD protections were available given that under the PSRs the consumer has similar protections, with the only difference being that the PSR is limited to 13 months (vs unlimited for DDs) and thus there is a very small distinction.

MLA legal drafting approach

* Danh N provided an overview of the proposed approach. The plan aims to create first draft for MLA for consultation by end of 2024. The RFP has been completed and a law firm has been appointed. Work has now commenced on the drafting. A sub-group of lawyers to help with the drafting. The membership is being finalised and will meet for the first time this week.
* One member asked whether there were any end user representatives on the sub-group.
  + DN explained that no policy discussions would he held in the sub-group and will focus on the legal drafting. Policy decisions are discussed at the wider WG where there is an end user representative.
  + The member also asked whether sub-group attendance was open to end-user group lawyers, but acknowledged that was too late for this round. DN confirmed that this is something he is happy to consider.
* One member asked to see the full list of sub-group members.
  + DN to share list when finalised
* One trade association member noted it was the first time that legally qualified persons should attend the sub-group and if they don’t have legal resource to do this can they still attend?
  + DN said it is important that industry representatives are there to ensure there is a full cross section of views and continuity from previous work.

Workstream 3 change request

* MW provided an overview of the scope and approach for WS3. Given the time taken to finalise the scope it will be necessary to extend the delivery date for the final report by one month to the end of November. The change request for this was approved.

Workstream 4 update

* MW provided an update on WS4.
* The standards release 4.0 included some optional elements to enhance the information flows with the transaction. WS4 has produced a report which provides an overview of firms intentions to implement the optional standards. A draft version is currently with JROC for review. On submission of the final report this will complete the WS4 actions for OBL.
* One member asked the extent to which firms are implementing the optional standards.
  + MW confirmed that the optional changes do not have an implementation window and only two of the CMA9 are planning a partial implementation of the optional standards.

AOB

* None