**JROC Workplan Implementation Group (JWIG) – 9 September 2024**

**Attendees:**

Chair: Henk Van Hulle (OBL)

Secretariat: John Crossley (OBL)

|  |  |
| --- | --- |
| **Name** | **Company** |
| **Henk Van Hulle** | OBL |
| **Richard Koch** | OBL |
| **John Crossley** | OBL |
| **Christian Delesalle** | OBL |
| **Ian Pegg** | OBL |
| **Nick Davey** | OBL |
| **Claudio Pollack** | OBL |
| **Daniel Jenkinson** | OBL |
| **Nilixa Devlukia** | OFA |
| **Andrea Macleay** | FSB |
| **Daniel Wilson** | Nationwide |
| **Jon Roughley** | Experian |
| **Tony Herbert** | Which |
| **Philip Mind** | UK Finance |
| **Andrew Self** | PSR |
| **John Fitzpatrick** | FCA |
| **Ruth Mitchell** | EMA |
| **Jack Wilson** | Truelayer |
| **Euan Ballantyne** | Pay.UK |
| **Ghela Boskovich** | FData |

**New Actions Arising:**

|  |  |  |
| --- | --- | --- |
| **Ref** | **Action** | **Owner** |
| 09/9-01 | Share the MLA operator approach paper with JWIG members | JC |

**Previous actions:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref** | **Action** | **Owner** | **Status** |
| 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 | Carried forward |
| 05/8-03 | RK to circulate the packs from other governance meetings | RK | Closed |

**Summary of meeting:**

Welcome and introduction.

* HvH welcomed everyone to the JWIG as well setting out the objectives and approach for the meeting.

Minutes

* Philip M asked about the transparency of papers from other meetings.
  + JC confirmed that previous papers had been circulated and OBL is in the final stages of creating a website to house the papers for a broader audience.
* RK confirmed that the action on WS3 (05/8-02) will be carried forward. We are finalising the scope following discussions with the FCA and creating a change request for the revised timing plan. RK noted that we are planning to circulate this to JWIG members prior to the next formal meeting for approval.

Plan on a page

* RK provided an overview of the plan on a page and confirmed that this was just for noting.
* One member asked about the number of deadlines in the plan towards the end of 2024. Is the intention for JROC to make the decisions and would there be a broader consultation ahead of this?
  + RK noted that it was for JROC to determine this approach on a case-by-case basis, but he anticipated that they would be interested in the nature and extent of participant input within the Programme process.
  + Andrew Self said that the groups have been set up in response to JROC’s aims, ie to address the gaps to progress VRPs. If JROC was to use its powers to mandate participation, then there would need to be formal consultations. For the existing work plan which has been commissioned then JROC is not anticipating further consultation.
* One member felt there had already been significant stakeholder input over the last c.3 years where VRPs had been considered, as such the focus needs to turn to implementation.
  + RK assured the meeting that the programme is implementation focused and is planning a phased introduction of VRPs on a test and learn basis.

Status update

* Ian P provided an overview of the programme status report focusing on the non-green workstreams.
* He confirmed that the status report is issued weekly to JROC.

Disputes mechanism recommendation

* Daniel J provided an overview of the approach and options considered before moving onto the recommendation for the wave 1 disputes mechanism. He emphasised the potential learnings for the future (eg nature and volume of disputes) and that we are seeking a solution which supports wave 1, hence the recommendation is a bridging solution.
* One member asked whether the recommendation remains valid given the Visa announcement and whether there are implications for the wider VRP programme from the Visa announcement.
  + HVH said that this question was noted and that we need to carry on with the VRP programme.
* One member suggested that the Visa announcement poses fundamental questions for a regulatory driven programme, especially when the market is bringing forward alternative propositions, but agreed with HVH that the programme should continue and the programme’s future is a question for JROC to address.
* Andrew Self confirmed that there is a lack of detail on the Visa proposition and whilst the PSR welcomes innovation they currently do not see that it would result in change to the PSR’s strategy. He also confirmed that the PSR is working with the FCA on the next funding round with the aim of getting VRPs live and at this time there is no change to this approach.
* Euan B also stated that they welcome competition and innovation, but we have a clear brief from JROC and thus continue as we are to deliver VRPs.
* One member noted that there has been an element of disruption from some firms who have ‘other irons in the fire’ in the dispute mechanism discussions which needs to be addressed.
  + HVH noted this comment.
* HVH noted that there were no more comments or material objections made to the proposal and hence the paper would be sent to the JROC Board.

MLA operator decision

* RK provided an overview of the proposed approach, options and evaluation criteria. He noted that this is a critical decision as it one of the key building blocks to getting wave 1 VRPs live.
* One firm asked if the paper could be shared with the JWIG?
  + RK confirmed that this had already been shared with the VRP WG and was happy to share to JWIG.
  + JC to share the paper with the JWIG members.
* One member made a series of points:
  + Should the options include issuing an RFP to allow the market to bring forward solutions?
  + It is hard to do this analysis without knowing target state. Is there a view on the target state (eg is it a new FE?)?
  + The management of liabilities and cost is a significant issue, which gives rise to questions around the access to capital for the MLA operator.
  + All criteria are not equal, and they see the management of liabilities as the most important.
    - RK agreed that these points help to outline the complexity of this decision and degree of uncertainty.
    - Regarding the RFP point RK felt this would be hard to do because of the lack of clarity and also as we do not know the full set of requirements for a RFP. RK highlighted that the key objective is to get wave 1 live, which requires an MLA owner to be identified but understands that this will need to evolve in the future.
    - Euan felt that the wave 1 liabilities should be narrow given scope and that we need to understand more about the nature of the liabilities for wave 1.
* Another member echoed RK's points. They highlighted the need to identify an MLA owner for wave 1 to allow it to progress and that we should not try to create perfection at expense of a timely delivery, especially as the owner will be able to evolve in the future. They also noted that there has been lots of discussion on liabilities, but there is a lack of clarity on what these are and that some firms are using this as a barrier to progress. They felt that the regulators need to create some certainty on the future of OBL, which will then help the debate on the future MLA owner.

Wave 1 sector definition

* ND provided an overview of the progress to date and the current thinking. This has been driven by the VRP blueprint recommendations and then setting out some principles to see how the wave 1 sector scope could be broadened.
* One member questioned the use of customer present v CNP in the context of utility payments.
  + ND confirmed that this is not that relevant for utilities but there could be some customer present transactions. The key aim here is to draw a distinction between DD replacement and card on file.
* One member asked whether consumer credit firms are excluded?
  + ND confirmed that this was the case.
* One member asked mobile phone payments where the handset is included in a bundle would be excluded?
  + ND said that he would need consider this. The key question is how we would distinguish these transactions.

WS1 and 2a update

* CD provided an overview of the workstreams and the findings from the roundtables.
* A key finding was that some firms were unwilling to make the investment in the development costs to supply the MI when they don’t whether, or how, the data will be used to drive improvements. Key for them was to know that a difference will be made from submitting data.
* There were no questions.

WS2b change request

* RK explained rationale for the CR and asked for approval.
* No concerns were expressed and therefore the change request was approved.

MLA legal support process

* RK provided an overview of process and decision to appoint legal support for the MLA development. He confirmed that we are looking to appoint a firm this week and onboard them to allow the drafting work to start next week.
* No comments or questions were received.

AOB

* One member asked about what progress had been made on the development of the wave 1 commercial framework.
  + RK confirmed that some work had commenced on how an industry driven approach could be developed. He said that informal conversations with the PSR and UKF has been held, but these remain at an early scoping stage. When there is a plan it will be brought forward for review.
  + The member was pleased to see this is progressing as it as an important piece of work for the wave 1 rollout.