

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

UK Finance – Jana Mackintosh, Managing Director, Payments & Innovation

Sent via email

21 July 2021

Dear UK Finance & SD10 banks

Confirmation of Payee (CoP) Phase 2

Thank you for your letter dated 25 June 2021 setting out your commitment to deliver the necessary CoP-only role profile changes in order to be present in the Phase 2 environment by 31 December 2021, in line with the timeline agreed between current CoP participants and Pay.UK. We are aware that Pay.UK has recently made this Phase 2 capability available for enrolment¹ and we are pleased that the SD10 banks' implementation plans remain on track.

I'm very encouraged that you have publicly committed to be present in the Phase 2 environment by the end of 2021. We want to see timely progress in achieving widespread coverage of CoP. I agree that this public commitment on your transition to the Phase 2 environment should encourage further participants to progress their plans to join the service in 2022. Importantly, it also provides further assurance to consumers that industry is taking the protection of their money and savings seriously.

Your commitment will help avoid unnecessary delays to more PSPs joining Phase 2. If it is achieved as you set out, this should avoid the need for us to direct the SD10 banks to be present in the Phase 2 environment by the end of 2021 (the approach we contemplated in our recent call for views).

We will continue to engage with the SD10 banks and Pay.UK to monitor the delivery of the commitment and, if appropriate, we will take steps to direct delivery – for example should progress stall. Pay.UK has also explained to us that all the other Phase 1 participants plan to have a presence in the Phase 2 environment before the end of 2021.

We are separately considering the feedback received to our call for views to decide whether we need to take action on the remaining parts of Phase 2. This includes the option to direct more PSPs to implement CoP, to direct the collecting and sending of secondary reference data, and to end dual running in March 2022.

¹ <https://newseventsinsights.wearepay.uk/news-in-brief/confirmation-of-payee-extended-capability-update/>



However, I thought it would be useful to clarify that we do not want PSPs to change or slow down any plans to progress the other elements of Phase 2 while waiting for our decision on whether to mandate all, or some parts of it. There has been definite progress to deliver this service by a broad range of PSPs. This means that if PSPs and Pay.UK can deliver the different parts of Phase 2 without the need for PSR intervention, this will be a very good outcome.

Once again, thank you for your commitment to delivering this essential fraud prevention measure and for providing the public clarity on when you expect it to be delivered.

In the interests of ensuring visibility of the delivery timelines for the industry, we will be publishing this letter on our website.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Hemsley', is positioned above the typed name.

Chris Hemsley
Managing Director

Cc:

Nikhil Rathi – CEO, Financial Conduct Authority

Matthew Hunt – Interim CEO, Pay.UK

Victoria Cleland – Executive Director, Banking, Payments and Financial Resilience, Bank of England

Christina Segal-Knowles – Executive Director, Financial Markets Infrastructure, Bank of England

Gwyneth Nurse – Director Financial Services, HMT