

APP Scams Steering Group

Summary of second meeting 27 April 2018

Attendees

Ruth Evans, Chair

Richard Lloyd, Independent Reviewer (advisor to the Chair)

Katy Worobec, UK Finance (secretariat to the Steering Group)

Nick van Benschoten, UK Finance (secretariat to the Steering Group)

Nick Beesley, UK Finance (secretariat to the Steering Group)

Jane Barber, RBS (alternate) – Dial in

Brian Dilley, Lloyds Banking Group

Dominic Lindley, from FCA Consumer Panel

Phil Mawhinney, Age UK

Richard Piggin, Which?

Faith Reynolds independent consumer expert

Judith Crawford, Electronic Money Association (alternate)

Wayne Stevens, Victim Support

Mark Tingey, Metrobank

Sam White, Barclays

Sian Williams, Toynbee Hall

Ben Trim, HSBC

Matthew Alder, HM Treasury (observer)

Melissa Dring, Trading Standards (observer)

Tim France, Home Office (observer)

Dora Guzeleva, PSR (observer)

Kathryn Hardy, PSR (observer)

Noor Mudhi, FCA (observer - alternate) – Dial in

Ross Studholme, FCA (observer – Legal Working Group member)

Alix Newbold, City of London Police (observer)

Richard West, Financial Ombudsman Service (observer)

RBS and Victim Support have now joined the Steering Group, retaining the balance of PSPs and consumers.

Trading Standards and the Financial Ombudsman Service have joined as Observers.

A website <https://appcrmsteeringgroup.uk/> is now publicly accessible and will host the agreed summary of meeting minutes.

Responses to the consultation in September will be received and processed by the PSR.

The **Terms of Reference** have been revised to include points of clarification from the first meeting.

Reimbursement Process Flow Working Group

First meeting has been held 18th April with a further planned for 10th May. The recommendations from the WG will be presented to the SG for discussion.

Legal Working Group

Home Office to hold the first meeting on the 22nd or 25th May.

First Deliverable: Appropriate outcomes for no-blame, shared-blame and inter-PSP blame situations

No Blame Scenario

The SG discussed possible funding options for possible reimbursement of victims in 'no blame' scenarios – noting that standards of care are yet to be defined. It was noted that:

- Any option which required new legislation was not feasible by September.
- Any central funding pool would need to be sustainable and a phased approach to funding might be necessary, with different interim and longer-term approaches
- Direct contributions by PSPs were considered as a possible interim solution, but there would need to be certainty that the amount was capped and for a specific time only, and that there was a viable longer-term solution to funding agreed. No consensus was reached on the direct contribution point at this stage.

Secretariat to produce:

- **A paper on options for modelling the outcome scenarios, including APP scam values broken down by scam types.**
- **A further paper on funding options, including potential costings for interim options and likely timing of viable longer-term options.**

Legal Working Group/HMG to consider:

- **whether new legislation was required:**
 - **to allocate regulatory fines funding from the Consolidated Fund to a central fund for no blame reimbursement**
 - **to progress funding from dormant and/or frozen accounts**

Shared Blame Scenario

It was agreed that the PSP(s) that did not meet the standards of care in this scenario should pay either into a central fund, or to partially or fully reimburse victims. The circumstances under which the victim is reimbursed if they did not meet the requisite levels of care and, if so, how this would be achieved, will be discussed further.

Second deliverable: requisite level of care for consumer/standard of care from PSPs

Requisite level of care for consumers to be initially developed through a workshop in May.

Secretariat to schedule a workshop during May to develop the requisite level of care for consumers, open to all Members and their delegates.