

Confirmation of Payee: Requirements under Specific Direction 17

Do I have to implement CoP?

We have included the names of [Group 1 PSPs](#) in the Direction, if you are listed then you have to implement CoP by 31 October 2023.

You also have to implement CoP if you are a [Group 2 PSP](#) under the Direction. You will need to consider whether you are but to assist we have created a non-exhaustive list of the PSPs that were on the [Extended Industry Sort Code Directory \(EISCD\)](#) as at beginning of 2022 as a starting point. If you have your own unique sort code, are a building society, send funds for your customers over CHAPS or FPS and have accounts that consumers and business can make and receive payments from, then you will have to implement CoP by 31 October 2024.

There are some exemptions to the Direction.

What accounts are exempted?

(NB: these are the exemptions we think most likely to be relevant, please see the Direction for full details.)

You do not need to provide a CoP check where the payer or payee's account (or both) is outside the UK.

You do not need to provide a CoP check, either to send or respond, if the funds are being sent to repay a loan made in the course of business e.g. a mortgage, credit card, buy now pay later loan (BNPL), or some other loan. This is on the basis that the primary reason for the account is the repayment of the loan.

You do not need to send, or respond to, a CoP check if the money is the sending PSP's own money, is money going to or from a suspense account, or is a transaction connected to providing acquiring services.

If an account is a customer or corporate account but can only send money to a nominated/linked account then you only need to provide a system to respond to CoP checks, not to send them.

If you are an Indirect PSP and send payments in batch files e.g. end of day to your sponsor, and the customer is not present when that happens, this represents a bulk payment, and is exempted from the Direction.

If you aren't required to have a CoP system because you only conduct exempt transactions, you must notify us of this, otherwise we will still expect you to implement send and respond CoP.

How can I find out if I am a Group 2 PSP? Is there a list of firms on your website?

Yes – the list can be found [here](#). It is a non-exhaustive list, compiled using the EISCD as it stood earlier in 2022. If you have gotten a unique sort code since then – and so are not listed - you will be subject to the Direction (subject to meeting the other parts of the definition of Group 2) If you have exited the EISCD and or had changes, please contact us to discuss your circumstances.

Are savings/mortgage accounts included in the scope of the Direction?

Savings accounts are in scope of the Direction, while mortgage accounts and credit card accounts are excluded if they fit within the “loan” exemptions described in the exemption section above.

Which firms are required to do both ‘send’ and ‘respond’ under the Direction? How do I know which functions I am required to do?

All firms are required to do both ‘send’ and ‘respond’ under the Direction, unless you operate a particular account type which will require a system which does ‘respond’ only. The exemption section above gives more details.

Are the deadlines in the Direction binding? Can I implement CoP before these dates?

The deadlines are legally binding. We strongly encourage firms to implement CoP and ensure a smooth transition ahead of the deadline.

I am a directed firm that no longer meets the requirements for – can I be exempted?

As mentioned above, if you now only carry out exempt transactions, you do not have to have a CoP system but you do need to tell us.

Please note that if you no longer meet the definition of “Group 2 PSP”, for example because you no longer conduct any relevant business, you are no longer a directed PSP but again, you must tell us. If you begin again to meet the definition, you will again be a directed PSP and must therefore comply with the Direction.

What happens if I miss the date for implementation?

If you are likely to miss the date for implementation, you must contact the PSR and inform us of this. We will then arrange a discussion with you to explore the matter further.

Can I apply for an extension or exemption?

You can apply for an extension of time to implement CoP or an exemption from an obligation under the Direction. The PSR may grant an extension or exemption if it considers it “necessary or appropriate”, but we may choose not to. If we choose to do so we may impose conditions.

Does paragraph 9.7 of the Direction mean my firm must have CoP in place eight weeks before the deadline?

No – paragraph 9.7 relates to whether a PSP meets the Group 2 definition (see definition of a Group 2 PSP in the Direction) on the date the Direction comes into force i.e 24 October 2022. A PSP will not fall within the Group 2 definition if it has a CoP system in place that is in ‘regular operation’ on the date the Direction comes into force. ‘Regular operation’ is defined at paragraph 9.7, which

includes a PSP having a CoP system for at least the preceding eight weeks (leading up to 24 October 2022).

If the issue is whether a PSP has started being a Group 2 PSP after the Direction comes into force, then Paragraph 7.5 needs to be considered.

But neither paragraphs 9.7 nor 7.5 require a CoP system to be in place before the applicable dates, which are 31 October 2023 for Group 1 PSPs, and 31 October 2024 for Group 2 PSPs.

What is enforcement?

The PSR will take the steps it considers appropriate to ensure that firms are in compliance with the Direction, including through enforcement action. We will take account of the relevant factors, including any external factors outside a PSP's control that materially impact their ability to comply. However, we will also take account of how well a PSP has planned their implementation in advance.

I want to use a vendor who provides CoP services?

Firms are encouraged to make use of third-party vendors to implement CoP. For more information on this, including who to contact, visit the Pay.UK [website](#).

I don't know who to contact about implementing a CoP system, where do I start?

If you are implementing Confirmation of Payee, you can find more information about how to join on the Pay.UK [website](#).

My question is not on this list; how can I get my question answered?

If you have a question that is not on this list, please get in contact via email at ContactUs@psr.org.uk.