

Policy statement

Confirmation of Payee

Response to consultation
CP20/1 and decision on
varying Specific Direction 10

February 2020

In this document, we set out the feedback we received during our consultation on our proposal to vary Specific Direction 10, our responses, and our decision.

If you have any questions, you can email us at cop.consultation@psr.org.uk or write to us at

Confirmation of Payee Team
Payment System Regulator
12 Endeavour Square
London E20 1JN

You can download this paper from our website: www.psr.org.uk/psr-publications/policy-statements/ps20-1-response-to-consultation-and-variation-of-specific-direction-10

Contents

1	Introduction	4
2	Views and our responses	6
3	Our decision	10
Annex	Varied Specific Direction 10	13

1 Introduction

- 1.1** Confirmation of Payee (CoP) is a name-checking service that has been identified by the Payment Systems Regulator (PSR) and payments industry as an important tool to help prevent authorised push payment (APP) scams and accidentally misdirected payments. The service checks whether the name of the account that a payer is sending money to matches the name they have entered.
- 1.2** Our objective is to make sure that CoP is introduced in a way that significantly reduces losses from APP scams and accidentally misdirected payments. The widespread introduction of CoP in a timely and coordinated manner will achieve this.
- 1.3** In August 2019, we gave Specific Direction 10 (SD10) to payment service providers (PSPs) in the six largest banking groups requiring them to implement CoP from 31 March 2020.
- 1.4** On 20 January 2020, the PSR consulted on a proposal to vary SD10.
- 1.5** We proposed two changes to SD10:
- a. to introduce an additional basis for a directed PSP to ask for an exemption from an obligation under the direction (the only current basis relates to exceptional circumstances)
 - b. to exempt HSBC UK Bank plc from the obligations of the direction in respect of accounts held with it that form part of HSBC Group's Private Banking brand
- 1.6** We received 12 responses. The respondents were:
- PSPs:
 - Barclays
 - Danske Bank
 - HSBC Bank
 - HSBC UK Bank
 - Lloyds Bank
 - National Westminster Bank
 - Nationwide Building Society
 - Santander
 - Consumer groups
 - Which?
 - Industry Associations
 - Building Societies Association (BSA)
 - UK Finance
 - Payments consultancies
 - Northey Point

- 1.7** PSPs and the BSA were broadly supportive of our proposal. Which? and Northey Point disagreed with it. We have taken account of all responses.
- 1.8** In summary, our decision is to give SD10 in the varied form we proposed in our consultation but with one change. That change is to make clear that we will always impose a new date for compliance with SD10's requirements if we approve an exemption under the additional basis.

2 Views and our responses

Additional basis for exemption

- 2.1** The PSP respondents, the BSA, and UK Finance supported the proposed change. They said the additional provision will help manage the implementation of CoP, particularly given the rapid deployment.
- 2.2** The BSA said we should include an additional criterion for exemption. This would cover circumstances where smaller PSPs must implement projects required by other regulators and the firm's size/resource capacity mean it would be unreasonable or disproportionate to make them implement CoP concurrently.
- 2.3** HSBC Bank and HSBC UK Bank said we should consider providing flexibility with respect to the concentration of CoP services launching across directed PSP channels and brands.
- 2.4** Nationwide and UK Finance said we should consider existing exceptional circumstances exemption applications under the additional basis for exemption rather than requiring renewed submission.
- 2.5** UK Finance said we should consider how to mitigate the risk to customers whose accounts are made exempt.
- 2.6** Northey Point and Which? were against the proposed change.
- 2.7** Northey Point said:
- SD10 already provides for exemptions for exceptional circumstances. Given the importance of minimising customer detriment, the exemption threshold should remain exceptional, and when granted always include a revised date for compliance.
 - Whilst SD10 was directed at defined PSPs in the UK, there should be an expectation that over time all PSPs will afford the protections provided by CoP.
- 2.8** Which? said:
- Without complete coverage of both institutions and payment channels, scammers will target the areas not covered by CoP.
 - A lack of consistency will be confusing for consumers and potentially undermine the Contingent Reimbursement Model Code.
 - The consultation document does not provide sufficient detail to explain the challenges faced by directed PSPs, nor does it provide assurance that the PSPs have taken appropriate mitigating actions.
 - The window for responses was too short.

Our response to arguments against an additional basis for exemption

- 2.9** We acknowledge the concerns raised by Northey Point and Which?. We too hold the position that the wider the coverage of CoP the better and we understand the downsides to anything other than complete coverage.
- 2.10** We also have a duty, while ensuring our direction will be effective in meeting its objective, to act in a proportionate way. We did so when first giving the direction. For example, we limited our direction to accounts identified by sort code (and not, for instance, by roll number) because the Pay.UK rules and standards only covered such accounts. We did not direct smaller PSPs because we wanted to afford them more flexibility. Most relevantly, we included the 'exceptional circumstances' exemption.
- 2.11** Our experience since giving the direction, particularly given the content of the 'exceptional circumstances' exemption applications, is that such an exemption is too limited. It risks requiring directed PSPs to expend resources and time complying with the direction for certain accounts when it is not reasonable or proportionate to do so. This in turn risks diverting resources and time away from work that will most efficiently achieve our objective.
- 2.12** In its response, Which? notes risks arising from inconsistency where CoP coverage is not complete. As set out above, the direction, as originally given, does not mandate complete coverage as we must act proportionately. We consider that the introduction of the additional basis for exemption is proportionate.
- 2.13** We emphasise that no decisions have been made on granting exemptions under the new provision. If a directed PSP wants us to consider an exemption application under the additional basis, we will consider all the information they provide and all relevant circumstances. As emphasised in the consultation (paragraph 3.5), a situation involving one of the examples we cite – for example, transfer of accounts to a new technology platform – may or may not justify an exemption and the list of examples is not exhaustive.
- 2.14** As set out in the direction, when deciding on an application we will always consider the impact on the achievement of SD10's objective. We will also consider whether any conditions should be imposed.
- 2.15** Given the consultation responses, we have decided we will always impose a new deadline when approving an exemption under the additional basis. This means that exemptions under the additional basis will always be time limited. Although it was a remote possibility that we would have granted a complete exemption under the additional basis, we have decided the direction should specifically exclude this possibility. We have changed the wording of the variation to reflect this.

Our response to arguments for adding more flexibility to the additional basis for exemption

- 2.16** We considered whether to widen the test for granting exemptions under the additional basis (see paragraphs 2.2 and 2.3 above). Our decision on an application for exemption will depend on all the circumstances, and the list of examples in paragraph 3.5 of the

consultation paper is non-exhaustive. We therefore do not consider it necessary to widen the test for granting exemptions. The test we will apply is whether it is 'not reasonable or proportionate' to require compliance in accordance with the deadlines of the direction. Even if the circumstances of an application align with one of the examples in the consultation paper, this does not mean we will inevitably approve the application.

Our response to criticism of the consultation

- 2.17** It is possible that some of the circumstances outlined in the exceptional circumstances applications could have been flagged to us earlier so we could have taken account of them when preparing the original direction. We believe it is right, however, to make the proposed changes in light of our experience since we gave the original direction. This will make sure we achieve our objective while avoiding any unreasonable or disproportionate impacts.
- 2.18** We included as much information as we considered appropriate for the purpose of the consultation paper. We could not include confidential information from the 'exceptional circumstances' applications.
- 2.19** We have not made any decisions on whether to grant existing exemptions under the additional basis. Our decisions will depend on the details of each application. Therefore, we could not have presented particular applications as examples of circumstances we would exempt.
- 2.20** We noted in the consultation document (paragraph 5.2) that we were consulting for the minimum time we considered appropriate because of urgency, given the 31 March deadline. We acknowledge that, absent urgency, we would have provided more time. We believe, however, the time we gave provided sufficient opportunity for respondents to prepare and lodge their submissions. The number and range of submissions we received support this view.

HSBC's Private Bank

- 2.21** The PSP respondents, the BSA, and UK Finance supported the proposed change.
- 2.22** UK Finance said exempting HSBC Private Bank accounts is similar to the exemption granted to the Royal Bank of Scotland's accounts held at its Adam & Co brand.
- 2.23** Northey Point and Which? were against the proposed change.
- 2.24** Northey Point said it would seem inappropriate from the perspective of both the sender and the receiver of a payment to deem that a subset of accounts held within HSBC UK Bank plc should not be subject to CoP. Whilst SD10 was directed at defined PSPs in the UK, there should be an expectation that, over time, all PSPs will afford the protections provided by CoP to all payments.

Our response

- 2.25** When we gave the direction in August 2019, we did not direct HSBC Private Bank (UK) Ltd. The only change since then has been a change in the business's legal status. Given no other material changes and the similarity of the situation to the exclusion of Royal

Bank of Scotland's Adam & Co, we maintain our position that HSBC Private Bank should not be subject to the direction.

- 2.26** Despite not being subject to the direction, HSBC UK said that the private banking business is within scope of their CoP programme. We welcome this.
- 2.27** For our response to criticism of the consultation, please see paragraphs 2.17 to 2.20.

3 Our decision

- 3.1** Given the preceding, we have decided to give SD10 in a varied form so that it:
- a. includes the additional basis for exemption as consulted on but now includes a provision that we will always impose a revised deadline as a condition of approval
 - b. excludes the Private Bank accounts held at HSBC UK
- 3.2** We now give the direction in the Annex.

Annex

Varied Specific Direction 10

Specific Direction 10 requiring the introduction of Confirmation of Payee

August 2019

Varied February 2020

Text added by the February 2020 variation is in red italics (for the amendments we consulted on) and green underlined italics (for the amendments we have made in response to the consultation feedback). Text removed has been struck through.

Specific Direction 10: Confirmation of Payee

1 Recitals

Whereas:

- 1.1** Confirmation of Payee (CoP) is a process that aims to reduce fraud and misdirected payments in electronic bank transfers. It checks the name of the payee against the details given by the payer.
- 1.2** The Payment Systems Regulator (PSR) expects that introducing CoP for transactions made between accounts held in the United Kingdom will significantly reduce the number of authorised push payment (APP) scams. In these scams, a fraudster tricks someone into sending money to an account that the payer believes is legitimate, but is in fact under the control of the fraudster.
- 1.3** Without CoP, banks use unique identifiers (usually sort code and account number) entered by the payer to identify the receiving account – although the intended payee’s name may be provided, there is no agreed way of checking the name against the account to which the unique identifiers relate. CoP checks should significantly lower the risk of payments being misdirected by accident or because of fraud.
- 1.4** Therefore, introducing CoP for the Faster Payments Scheme (FPS) and CHAPS will be a valuable tool in preventing fraudulent or accidental misdirection. These are the biggest volume push payment systems in the United Kingdom used for sending money between different payment service providers (PSPs).

PSPs may still decline to process transactions for commercial reasons, or if they:
 - suspect fraud or the likelihood of accidental misdirection
 - are otherwise prevented by law from processing a payment
- 1.5** Although a range of PSPs have indicated that they will introduce a CoP process for payments involving accounts at different PSPs held in the United Kingdom, progress on implementing CoP has been slow. The benefits associated with CoP depend, to a significant degree, on its widespread introduction. This is because transactions that use FPS and CHAPS take place between accounts held at different PSPs, and CoP will only work if both PSPs involved in a transaction offer the service.
- 1.6** FPS and CHAPS are designated by HM Treasury under section 43 of the Financial Services (Banking Reform) Act 2013 ('the Act') for the purposes of Part 5 of the Act. This means we may give a direction in relation to them under section 54 of the Act.
- 1.7** The PSR has decided to require certain PSPs to introduce processes for sending and responding to CoP requests. They must introduce the processes to specific deadlines.

Giving this direction will ensure that CoP is introduced in a way that is highly likely to achieve our objective – a significant reduction in losses due to APP scams and accidentally misdirected payments.

1.8 In deciding whether to give the direction, who to direct, the deadlines to be imposed and what the CoP process should be, the PSR has taken the following into account:

- a. The PSPs that we give this direction to were either the sending or receiving PSPs, or both, for approximately 90% of the total volume of transactions over FPS and CHAPS in 2018 (and that it is appropriate, where participants in FPS and/or CHAPS are members of the same banking group, to aggregate the volume of transactions by those PSPs when considering which PSPs should be directed).
- b. Therefore, directing those PSPs to introduce the CoP process as required by this direction will result in its widespread use for transactions over FPS and CHAPS.
- c. This will make it highly likely that the PSR's objective will be achieved.
- d. Based on information provided, the PSR considers that:
 - the directed PSPs will be able to comply with the deadlines in the direction for responding to, and sending, CoP requests
 - those deadlines are the earliest dates that we can require CoP to be introduced
- e. Pay.UK has developed rules and standards for CoP. PSPs, in particular those that we give this direction to, are aware of these rules and standards.
- f. Those rules and standards, if implemented, would provide an appropriate CoP process.
- g. Those rules and standards currently only relate to proposed transactions between accounts identified by sort code and account number.
- h. Those rules and standards do not currently provide for a CoP process where the sending or receiving account (or both) for a proposed transaction is held abroad. Only that part of an international payment journey that takes place within the United Kingdom will be done over FPS or CHAPS, as they are UK payment systems.
- i. Those rules and standards do not currently provide for a CoP process where the proposed transaction being made is a bulk payment, where a PSP uses an account receiving money to aggregate sums of money before sending them to the relevant accounts of individuals (these are often known as Head Office Collection Accounts), where the receiving account is a suspense account, or where the proposed transaction is an unattended payment (that is, the PSP is providing technical access to FPS or CHAPS to the person sending the funds and therefore the usual actions taken by the sending PSP on a CHAPS or FPS transaction are not carried out by it).
- j. The direction should only cover proposed transactions involving accounts that the Pay.UK rules and standards currently relate to.

- k. It is not necessary or desirable to require a CoP process where the funds are being transferred between financial institutions for their own purposes or in connection with other wholesale activity for financial institutions, to require a directed PSP to carry out a CoP process where the proposed transaction is being carried out by an indirect PSP for one of that PSP's customers, or to require a CoP process where the instructions are provided by post (or by email, fax, or hand-delivered to the branch but processed when the customer is not present).
- l. With the introduction of CoP, a payer will face an additional process, and therefore friction in carrying out the transaction – particularly if the response to the CoP request is that there is no match, or a close match that requires further consideration.
- m. The direction should only require a CoP check to be carried out the first time the PSP's customer provides the details necessary to pay a new payee (or amends the unique identifiers in relation to an existing payee), whether or not funds are sent immediately following the provision of the details.
- n. It is appropriate to require directed PSPs to report on their progress in meeting the requirements of this direction, so that the PSR can ensure they have the necessary processes in place.
- o. There may be exceptional circumstances where it would not be appropriate to require a directed PSP to comply, in relation to an account or accounts, with obligations imposed by the direction.

1.9 *The PSR has decided to vary this direction in light of developments since the direction originally came into force and the PSR's experience in monitoring it.*

2 Powers exercised and purpose

- 2.1** The PSR makes this direction in accordance with section 54 (Regulatory and competition functions – directions) of the Act. In accordance with section 54(3)(c), this direction applies to persons of a specified description.
- 2.2** The purpose of this direction is to ensure CoP processes are introduced in a way that significantly reduces losses from APP scams and accidentally misdirected payments over FPS and CHAPS.

3 Direction

NOW the PSR gives the following specific direction to: Bank of Scotland plc, Barclays Bank UK plc, Barclays Bank plc, HSBC Bank plc, HSBC UK Bank plc, Lloyds Bank plc, National Westminster Bank plc, Nationwide Building Society, Royal Bank of Scotland plc, Santander UK plc and Ulster Bank Limited.¹

4 Requirement to introduce Confirmation of Payee

- 4.1** After 31 December 2019, a directed PSP must respond to every CoP request made to it that complies with the CoP rules and standards.
- 4.2** The response must comply with the CoP rules and standards.
- 4.3** Paragraph 4.5 applies where, after 31 March 2020, a customer holding an account with a directed PSP provides to the PSP, by an appropriate method, the necessary information about a new payee.
- 4.4** Paragraph 4.5 also applies where, after 31 March 2020, a customer provides to a directed PSP, by an appropriate method, an amendment to the unique identifiers of an established payee.
- 4.5** The directed PSP must send a CoP request in respect of the account to which the unique identifiers given by the customer as those of the payee relate.
- 4.6** The request sent by the directed PSP under paragraph 4.5 must comply with the CoP rules and standards. The directed PSP must deal with the response to that request (or the absence of a response) in accordance with those rules and standards.

Application and exceptions

- 4.7** The requirements of paragraph 4.5 only apply where:
- a. both the account from which the funds are to be sent ('the sending account') and the payee's account – as identified by the unique identifiers given by the customer – ('the receiving account') are UK accounts, and
 - b. the unique identifiers used to identify both the sending and receiving accounts take the form of a sort code and account number

¹ Bank of Scotland plc and Lloyds Bank plc are part of the Lloyds Group; Barclays Bank UK plc and Barclays Bank plc are part of the Barclays Group; HSBC Bank plc and HSBC UK Bank plc are part of the HSBC Group; National Westminster Bank plc, Royal Bank of Scotland plc and Ulster Bank Limited are part of the Royal Bank of Scotland Group; Santander UK plc is part of the Santander Group.

- 4.8** The requirements of paragraph 4.5 do not apply where:
- a. the necessary information (or amended unique identifiers) is provided in anticipation of the customer making a transaction that is a bulk payment
 - b. the receiving account is a Head Office Collection Account
 - c. the receiving account is a suspense account
 - d. the necessary information (or amended unique identifiers) is supplied in anticipation of funds being sent by way of an unattended payment routing
 - e. a PSP is proposing to send funds on its own behalf
 - f. the necessary information (or amended unique identifiers) is provided in anticipation of a transaction between the sending and receiving accounts being by way of a CHAPS 'MT202 general financial institution transfer' (within the meaning of the CHAPS technical requirements published by the Bank of England²) or a transfer of funds from or to an account of a financial market infrastructure (within the meaning of the 'Principles for financial market infrastructures' published by the Bank for International Settlement and the International Organization of Securities Commissions³) (central counterparties etc)
 - g. the customer is an indirect PSP (within the meaning of the Code of Conduct for Indirect Access Providers published by Pay.UK⁴) providing the details of the payee in order to facilitate the transfer of funds by a customer of that PSP, or
 - h. the necessary information (or amended unique identifiers) is received by the customer's PSP by post, email or fax, or is contained in instructions that are hand-delivered to a branch (or other office) of the PSP but which are not processed with the customer present

Exclusion of certain accounts

4.9 *The following exclusions apply:*

- a. Royal Bank of Scotland plc does not have to comply with the obligations under this direction in relation to accounts held at its Adam & Company brand.
- b. *HSBC UK Bank plc does not have to comply with the obligations under this direction in relation to accounts held with it that form part of HSBC Group's HSBC Private Bank brand.*

² See: bankofengland.co.uk/-/media/boe/files/payments/chaps/chaps-technical-requirements

³ See: bis.org/cpmi/pub/d101a.pdf

⁴ See: wearepay.uk/wp-content/uploads/2018/12/Code-of-Conduct-for-Indirect-Access-Providers-Pay.UK-Final_November2018.pdf

Alternative deadline for sending CoP requests for certain corporate customers

- 4.10** Bank of Scotland plc and Lloyds Bank plc in respect of a customer holding an account described in paragraph 4.11 may comply with the duty to send a CoP request for that customer from the migration date instead of from 31 March 2020.
- 4.11** An account held by a corporate customer in respect of which the information technology platform on which it is held, on the date this direction comes into force, is no longer subject to infrastructure investment and is one of those notified to the PSR in writing by Lloyds Group on 5 June 2019⁵ ('corporate legacy accounts').

Exemption~~s~~ for exceptional circumstances

- 4.12** A directed PSP may apply to the PSR for an exemption from the duty to comply with one or more obligations set out in this specific direction in respect of any of its UK accounts ~~on grounds that exceptional circumstances reasonably prevent it from complying with the obligation or obligations.~~
- 4.13** *The PSR may approve an exemption if satisfied that:*
- a. exceptional circumstances reasonably prevent the directed PSP from complying with the obligation or obligations, and/or*
 - b. it is not reasonable or proportionate to require that PSP to comply with the obligation or obligations in accordance with the applicable deadline or deadlines in the direction*
- 4.14** *In considering an application, the PSR will have regard to all the circumstances, including the impact of approving the application on the achievement of the objective of this direction, namely a significant reduction in losses due to APP scams and accidentally misdirected payments.*
- 4.15** The application by the directed PSP must be in writing and set out:
- a. the obligation or obligations to which the application relates
 - b. the ~~exceptional~~ circumstances that, in the PSP's opinion, justify the exemption
 - c. the number and type of accounts to which the application relates
 - d. the steps (if any) the PSP has taken to comply with its obligations under the direction
 - e. if the PSP is proposing that it comply with an amended form of its obligations under this direction, the nature of the amendments sought
 - f. whether, in the PSP's opinion, the application contains information that is confidential (and identify that information)

⁵ See accompanying published responses to our May 2019 consultation.

- 4.16** The PSR may ask the PSP to provide further information for the purposes of determining the application (and the PSP, when responding, must identify any information provided that, in its opinion, is confidential).
- 4.17** The PSR may reject an application or approve it in whole, or in part, and may make approval subject to compliance with conditions *(including a new deadline for compliance)*. *In the case of an exemption approved under paragraph 4.13.b (whether or not also approved under paragraph 4.13.a), a new deadline will be imposed as a condition.*
- 4.18** The PSR may publish the application (and any further information provided about the application) and its decision (except confidential information).
- 4.19** The effect of the PSR approving it is that the PSP need not comply with an obligation or obligations imposed under this direction to the extent it (or they) is (or are) disapplied by the approval, but the PSP must comply with any conditions imposed.

Monitoring

- 4.20** A directed PSP must send the PSR a written report on how it proposes to introduce CoP to the deadlines required by this direction.
- 4.21** That report must contain at least the following information:
- a. the PSP's timetable for implementation of CoP in accordance with the requirements of this direction
 - b. the key milestones in each month that the PSP intends to meet to implement CoP
 - c. the key risks to the PSP meeting the deadlines set out in paragraphs 4.1 to 4.5, and the mitigations it has put in place
 - d. if the directed PSP expects to make an application ~~relating to exceptional circumstances~~ under paragraph 4.12, such information as is available at the time the report is submitted about that application (including the expected timescale for any application)
- 4.22** A directed PSP must submit its first report on or before 29 September 2019. It must then submit a report every two months until the PSR informs it in writing that it does not need to submit any more.
- 4.23** Where this direction has been given to more than one PSP in the same banking group, those PSPs may submit a joint report.
- 4.24** The PSR may, in writing, in respect of any directed PSP, provide that:
- a. it must submit its first report on or before a different date
 - b. it must submit reports more or less frequently than every two months
 - c. it must submit a report on or before a particular date that we did not previously require
 - d. it does not need to submit a report where otherwise one would be required

- 4.25** The PSR may, in writing, require a directed PSP to provide it with information about how the PSP is complying, or proposes to comply, with this direction. The PSP must provide the information by the date given by the PSR.

Definitions and interpretation

- 4.26** A 'directed PSP' means each of the PSPs to which this direction is given.
- 4.27** A 'CoP request' means a request sent by a PSP to check the name of the intended payee (that is, the person to whom or which the payer anticipates sending funds) against the name of the person who holds the account to which the unique identifiers given by the payer when providing the necessary information (or amending the unique identifiers in that information) refer.
- 4.28** The 'CoP rules and standards' means the rules and standards for CoP provided for in the rule book developed by Pay.UK⁶, as they stand at the time the request is received (in respect of the requirements in paragraph 4.1) or at the time the PSP receives the necessary information (or amended unique identifiers) from the customer (in respect of the requirements in paragraph 4.5).
- 4.29** 'Appropriate method' means a method that is used by the directed PSP for a customer to provide instructions to it that may be used by the PSP for executing a payment from the customer's account to the payee (whether or not a payment is intended to immediately follow the instructions) where that payment may be made using FPS or CHAPS.
- 4.30** 'Necessary information' means the information required by the directed PSP in order to execute a payment from the customer's account to a payee and includes the name of the intended payee and the unique identifiers for the receiving account.
- 4.31** A reference to a customer providing information or an amendment to a directed PSP includes the provision of that information or amendment by someone on behalf of the customer where permitted under the appropriate method.
- 4.32** 'New payee' means a payee in respect of whom or which the directed PSP does not hold the necessary information.
- 4.33** 'Established payee' means a payee in respect of whom or which the customer had previously provided the necessary information and that information is held at the time of the amendment by the directed PSP.
- 4.34** 'Unique identifier' has the same meaning as in the Payment Services Regulations 2017 (see regulation 2).
- 4.35** An account is a 'UK account' if it is provided by a PSP in the course of that PSP's business within the United Kingdom.
- 4.36** A transaction consists of a bulk payment when the payer is proposing to use it to make payments to more than one account.

⁶ Pay.UK is a company limited by guarantee, incorporated in England. Company Number 10872449. For more on its work on Confirmation of Payee, see: wearepay.uk/confirmation-of-payee

- 4.37** An account is a 'Head Office Collection Account' if a PSP uses it to collect funds in aggregation before transferring them to the appropriate individual accounts of its customers.
- 4.38** An account is a 'suspense account' if it is an account used by a PSP to store funds temporarily for accounting purposes or where there is uncertainty as to where the funds should be sent.
- 4.39** An 'unattended payment routing' is where a PSP provides technical access to the FPS or CHAPS system for a customer to send payments through that system and consequently the PSP does not carry out the actions ordinarily required of a PSP that provides the sending account when executing an FPS or CHAPS payment.
- 4.40** 'Migration date' means the date the customer's account is migrated from the information technology platform that is no longer subject to infrastructure investment to another platform.

5 Application of Specific Direction 10

This direction applies to the directed PSPs.

6 Commencement and duration

- 6.1** This direction ~~came~~ *comes* into force on 2 August 2019 ~~and comes into force as varied on 18 February 2020.~~
- 6.2** This direction continues in force until such time as it is varied or revoked by the PSR.

7 Citation

This direction may be cited as Specific Direction 10 (Confirmation of Payee) *(Varied February 2020)*.

8 Interpretation

- 8.1** The headings and titles used in this specific direction are for convenience and have no legal effect.
- 8.2** The Interpretation Act 1978 applies to this specific direction as if it were an Act of Parliament.
- 8.3** References to any statute or statutory provisions must be construed as references to that statute or statutory provision as amended, re-enacted or modified, whether by statute or otherwise.

Originally made on 1 August 2019

Louise Buckley

Interim Co-Managing Director,
The Payment Systems Regulator
Limited

Made with variation on 13 February 2020

Chris Hemsley

*Managing Director,
The Payment Systems Regulator
Limited*

PUB REF: PS20/1

© The Payment Systems Regulator Limited 2020
12 Endeavour Square
London E20 1JN
Telephone: 0300 456 3677
Website: www.psr.org.uk

All rights reserved