

# Specific Requirement 1: Faster Payments APP Scam Reimbursement Rules

The Consumer Standard  
of Caution Exception

December 2023

# 1 Consumer Standard of Caution Exception

- 1.1** The Payment Systems Regulator (PSR), under Section 55 of the Financial Services (Banking Reform) Act 2013, and through Specific Requirement 1 (Faster Payments APP scam reimbursement rules) (hereafter, 'the specific requirement'), has put in place obligations on the operator of the Faster Payments Scheme to change the Faster Payments Scheme rules in the ways set out in the specific requirement.
- 1.2** All references in the specific requirement to the 'consumer standard of caution exception' are references to the definition of that term within this document.
- 1.3** The following terms in this document have the meaning defined in paragraph 10.4 of the specific requirement: authorised push payment; APP scam; FPS APP scam payment; FPS APP scam claim; consumer; payment service provider (PSP); sending PSP; reimbursable FPS APP scam payment; and vulnerable consumer.
- 1.4** The term 'competent national authority' (CNA) means:
- a. Any Police Force within the meaning of the Police Act 1996
  - b. The Police Service of Scotland as defined by the Police and Fire Reform (Scotland) Act 2012
  - c. The Police Service of Northern Ireland as defined by the Police (Northern Ireland) Act 2000
  - d. The National Crime Agency, as defined by the Crime and Courts Act 2013
  - e. Any other authority identified by the PSR through guidance issued under Section 96 of the Financial Services (Banking Reform) Act 2013.

## The consumer standard of caution

- 1.5** A sending PSP, in assessing whether an FPS APP scam payment is a reimbursable FPS APP scam payment, may expect that the consumer:
- a. Should have regard to any intervention made by their sending PSP and/or by a CNA.
  - b. Should, upon learning or suspecting that they have fallen victim to an APP scam, report the FPS APP scam claim promptly to their sending PSP and, in any event, not more than 13 months after the date on which the last FPS APP scam payment forming part of that claim was executed.
  - c. Should respond to any reasonable and proportionate requests for information made by their sending PSP for any of the purposes set out in paragraph 5.4 of the specific requirement.
  - d. Should, after making an FPS APP scam claim, consent to the PSP reporting to the police on the consumer's behalf or request they report directly the details of an APP scam to a CNA.

## The consumer standard of caution exception

- 1.6** The consumer standard of caution exception applies where a sending PSP can demonstrate that a consumer who has made an FPS APP scam claim has, as a result of gross negligence, not complied with one or more of the standards set out at paragraph 1.5 of this document (the consumer standard of caution). This exception does not apply where the consumer is vulnerable, and this had a material impact on their ability to protect themselves from the scam.
- 1.7** A sending PSP, in seeking to demonstrate that a customer falls within paragraph 1.6 of this document, must have regard to any guidance published by the PSR on the application of this exception.

## Commencement and Duration

- 1.8** This notice comes into force on 7 October 2024.
- 1.9** This notice shall continue in force until such time as it is varied or revoked by the PSR.

**Made on 19 December 2023**

**Chris Hemsley**  
Managing Director  
Payment Systems Regulator

© The Payment Systems Regulator Limited 2023  
12 Endeavour Square  
London E20 1JN  
Telephone: 0300 456 3677  
Website: [www.psr.org.uk](http://www.psr.org.uk)

All rights reserved