Confirmation of Payee

Understanding consumer and stakeholder perspectives

October 2018

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Foreword

Confirmation of Payee will be a service that customers can utilise to check the name on an account they wish to make a payment to, before they make a final decision to proceed.

Setting the standard in user protection

In November 2016, the Payments Strategy Forum (PSF) published *'A Payments Strategy for the 21st Century – Putting the needs of users first'*. At the heart of that strategy was a call to improve user protection in part through the delivery of a New Payments Architecture (NPA) - a new conceptual model for payment systems that would help address the user-detriments that result in transactions going astray and sometimes ending up in the hands of fraudsters.

Now the PSF has passed the baton for delivery of the NPA to Pay.UK, the organisation responsible for creating the common standards and new infrastructure which will be the engine driving improved services throughout the industry.

Pay.UK manages £17.5 billion in payments every single day. Behind that number are millions of users – the people and organisations that drive the vibrant UK economy that our payment systems enable, all of whom rely on their money promptly reaching its intended recipient.

Modern life in the UK would be difficult to imagine without the convenience of mobile and online banking services. They facilitate many of the day-to-day transactions between individuals and organisations which keep our economy moving. Yet sending a mobile or online banking payment with the wrong sort code or account number is like addressing a letter with the wrong postcode. It won't reach the intended destination even if you have used the correct name.

Being unable to complete a payment can be frustrating; however, fraudsters have also become increasingly sophisticated in using online and mobile banking processes to trick people into sending money to the wrong account. We have seen a significant growth in so-called 'Authorised Push Payment' (APP) fraud and the negative impact it has on customers.

Although the percentage of transactions that are accidentally misdirected or fall victim to fraud is small (less than one in 20,000), the impact on victims can be significant, and in the worst cases life-changing. That is why, following on from the groundwork laid by the PSF in its December 2017 blueprint for the NPA, we have been working on developing the foundations for a new service called Confirmation of Payee (CoP).

When delivered by Payment Service Providers (PSPs), CoP will be a service that customers can utilise to check the name on an account they wish to make a payment to, before they make a final decision to proceed.

It will help prevent many fraudulent payments from being made in the first place, by introducing another hurdle for fraudsters and giving effective warnings to customers about the risks of sending to an account where the name did not match. In addition, under a new 'Contingent Reimbursement Model' industry code being introduced in 2019, it is anticipated that any customer who has taken due care and received a positive name match through CoP will get greater protection from financial loss if they have fallen victim to an Authorised Push Payment (APP) fraud.

As the organisation that runs the UK's retail payment systems, we are responsible for setting the rules and standards that define how banks, building societies and other PSPs can implement the CoP service. This research report is an important summary of the conversations we have had with PSPs, end users of payment services and other stakeholders. Working alongside the independent research agency Trinity McQueen, the insights we gained have played an integral part in validating and informing the proposition, rules and standards for CoP – providing the foundations PSPs need to start offering the service to customers from 2019 onwards.

It was no surprise to me that change to help users make good payment decisions was well received by both consumers and industry as welcome and timely. Our focus now becomes supporting the industry to implement and integrate it within payment journeys to deliver a consistent experience, ensuring that the service delivers the greatest possible benefit for all end users.

Our role at Pay.UK is to be guardians and pioneers of the retail payment systems everyone in this country relies on. This is only made possible through the type of collaborative engagement set out in this report. I am confident that CoP will be the first of many improvements for payment systems that will benefit from this approach, as we continue to build a New Payments Architecture for the UK, and encourage a more open, accessible and competitive ecosystem that fosters innovation on a foundation of stability.

Paul Horlock
Chief Executive, Pay.UK

Executive Summary

Confirmation of Payee and Pay.UK's role

Confirmation of Payee (CoP) is a way of giving end users of payment systems greater assurance that they are sending their payments to the intended recipient. It is, in essence, an 'account name checking service' that can help avoid payments being misdirected due to errors, and address certain types of Authorised Push Payment (APP) fraud. Although account name verification will never be able to deter all users from sending money to an untrustworthy recipient, it will provide yet another barrier to fraudsters attempting common types of APP scams.

Pay.UK is the UK's leading retail payment authority, with responsibility to review and deliver the New Payments Architecture proposals published by the Payments Strategy Forum. Included in these proposals were a number of solutions aimed at giving end users more assurance that their intentions in originating or requesting payments had been followed through. These solutions included CoP and made Pay.UK responsible for setting the rules and standards that set out how Payment Service Providers (PSPs) should implement a CoP service for their customers.

Research Objectives

- This report presents the findings and subsequent recommendations following independent research carried out on Pay.UK's behalf by market research agency Trinity McQueen
- The research used a combination of complementary qualitative techniques to consider the likely impact of CoP on the behaviour of users of payment systems. This served to validate the proposition and identify required changes before Pay.UK finalised the technical standards for the service
- Key topics for consideration included:
    - CoP's ease of use and clarity
    - How CoP affected users' confidence
    - CoP's likely impact on user behaviour
    - How CoP should be communicated to end users

Findings and recommendations

- **Generally, CoP was well received** by consumers and the industry. It was considered a step in the right direction to address misdirected payments and some fraudulent activity.
- **Consistency in messaging and functionality** across banks was considered key. Common terminology and language should be balanced against the freedom for banks to adapt messages to suit their own tone of voice and customer base.
- **Instant verification** was thought to be crucial to the success of CoP.
  - Negative outcomes – e.g. where an account name is not matched – should be clearly communicated, with simple 'next step' instructions to help users feel in control
  - Positive matches should happen seamlessly in the background, without creating an extra step for the user
  - Friction resulting from negative outcomes (including non-match where the name was passed to the customer) was seen as a good thing for customers
- **Clarity about liability** was another key consideration. Most people understood they are currently liable if they input incorrect bank details; however, people were less clear how that would change with the introduction of CoP.
- **A universal 'kitemark' was not considered necessary** for the service. However, many felt 'confirmation of payee' to be jargon – a more easily understandable name would be better.
- **Balance must be struck in the implementation**, to ensure the user remains in control, with only an acceptable level of friction introduced – any warnings to end users must be clear and simple.
- **Extra considerations for vulnerable groups**, such as people with visual impairments and older people, were felt to be needed to avoid creating further barriers to online banking.

Next steps

The above findings and recommendations have been taken into account by Pay.UK in finalising the CoP proposition, rules and standards and guidance that are being made available to PSPs alongside this report.

Prior to commencing the research, we also sought advice and guidance from the Pay.UK's End User Advisory Council (EUAC). Representing the entire end user community, the EUAC was able to offer a number of valuable suggestions for the core proposition and guide our engagement approach with specific user groups. In particular, consistency of language and presentation of end customer messages were considered to be critical to successful implementation. The subsequent research focus and the findings in this report were heavily reliant on that contribution.

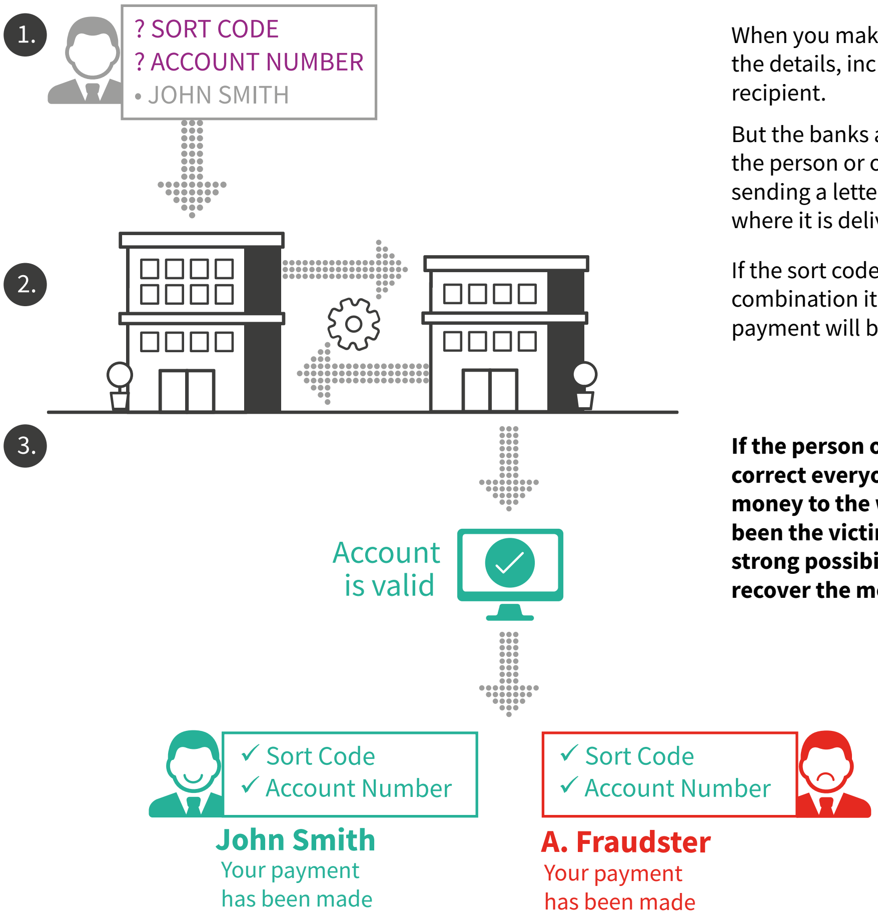
Details of how Pay.UK is taking specific feedback and recommendations forward can be found in the table following this section.

As CoP is a service intended to mitigate against APP scams, documentation will only be issued to participants in the CoP service to preserve the confidential nature of some of the design and rules. This includes the proposition, rules, operating and technical guides plus the technical specifications for the CoP requests and responses.

Further engagement regarding the guidance will be undertaken during Q4 2018 to further refine recommendations around common terminology and language. It is envisaged that this guidance will continue to develop organically in line with users' experience as CoP is introduced to the market.

How Confirmation of Payee works

What happens today


1.
? SORT CODE
? ACCOUNT NUMBER
• JOHN SMITH
2.
3.
Account is valid
✓ Sort Code
✓ Account Number
John Smith
Your payment has been made
✓ Sort Code
✓ Account Number
A. Fraudster
Your payment has been made

When you make a payment you give your bank all the details, including the name of the planned recipient.

But the banks are not able to check the name of the person or organisation you plan to pay. It’s like sending a letter, it’s the postcode that determines where it is delivered.

If the sort code or account number are not a valid combination it will be noticed, but otherwise the payment will be sent as you’ve instructed.

If the person or business account you’ve paid is correct everyone is happy, but if you’ve sent the money to the wrong account, perhaps having been the victim of fraud, unfortunately it’s a strong possibility that it won't be possible to recover the money.

Our top tips for successful payments

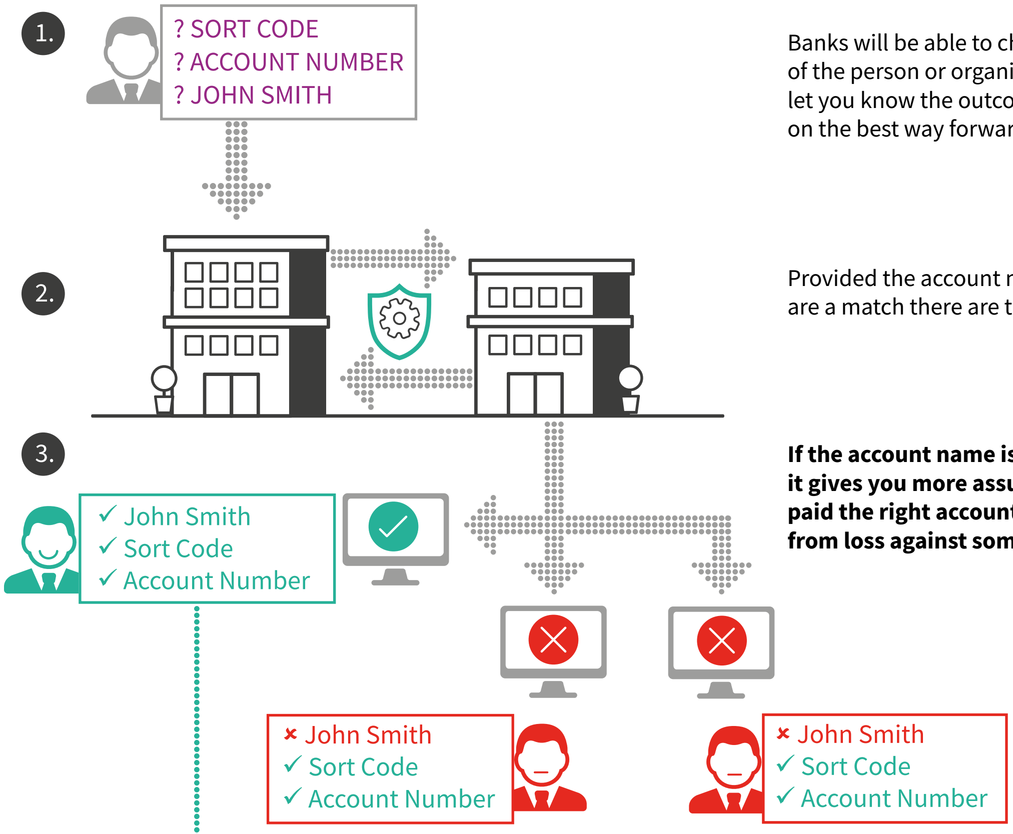
Double-check
Always double-check the sort code, account number and the account name when sending a payment with the person or organisation you are paying.

Confirm the account name of the person/organisation you are paying
If the name you are asked to pay is different to what you are expecting, always check back with the person or business. This is a particularly important if you are paying a business.

If you are requesting a payment, make sure you let the person who is paying you know what your account name is

This is particularly important if you are a business and issue invoices.

After the introduction of Confirmation of Payee


1.
? SORT CODE
? ACCOUNT NUMBER
? JOHN SMITH
2.
3.
✓ John Smith
✓ Sort Code
✓ Account Number
× John Smith
✓ Sort Code
✓ Account Number
× John Smith
✓ Sort Code
✓ Account Number

Banks will be able to check the name on the account of the person or organisation you're paying. They will let you know the outcome of this check and advise you on the best way forward.

Provided the account number and sort code are a match there are three possible outcomes.

If the account name is confirmed as correct, it gives you more assurance that you have paid the right account and will protect you from loss against some types of fraud.

4.

These details match the account. Would you like to proceed?

Stop. The actual name on the account is **Johnny Smithson**. Please check the details or contact the person you're trying to pay.

Stop. The name is not correct. Please check the details or contact the person you're trying to pay.

Don't be rushed or pressured

Under no circumstances would a genuine bank or some other trusted organisation force you to make a financial transaction on the spot.

Trust your instincts

If something feels wrong it is usually right to question it.

Research findings and Pay.UK response

Finding 1: There should be consistency in messaging and functionality

Consistency in execution **Consistency in likelihood of match**	**Pay.UK response:** Pay.UK has been working with participants to define guidelines that meet these requirements. Guidance has been set out to support PSPs with their CoP decision-making, that includes ‘matching criteria’.
Simple and clear language	**Pay.UK response:** Pay.UK guidelines also set out recommendations for PSPs to provide clear and concise responses for different CoP outcomes, while at the same time recognising individual PSP capability and risk appetite, which may result in different outcomes.

Finding 2: The consumer journey should be frictionless

Instant verification	**Pay.UK response:** Pay.UK expects the end-to-end CoP experience should be undertaken in near real time. In particular, the design should not unduly impact the overall payment journey where there is a positive response to a CoP request. Pay.UK has defined a technical architecture that supports this outcome.
Smooth transition at launch	**Pay.UK response:** The primary detriment is payments made by personal customers to the accounts of other individuals or to businesses. CoP does not distinguish between different customer groups and it will be up to PSPs to define which types of accounts they offer their CoP service for Market feedback suggests the initial propositions will be targeted at personal customers making payments (to other customers or businesses). **Pay.UK response:** The industry has an important role to play as part of the implementation of CoP to ensure that consumers and organisations understand what CoP does and does not do, to ensure that negative perceptions are not encountered. As highlighted in the report, awareness of CoP will be key to ensure that payers are encouraged to be accurate. There is a role for billers and other organisations here too, to clearly set out the name of the account to which payments are to be sent, in addition to the sort code and account number.
Consider removing CoP step for positive path	**Pay.UK response:** We are recommending that the customer journey for a positive CoP outcome is friction-free using a simple indicator to show the name has been checked and validated, e.g. green tick. There will remain a requirement for the customer to positively opt to carry on and make the payment or not as they do today, thereby ensuring that the payer customer is always in control. Our guidelines will also clearly lay out that friction is expected for a negative CoP outcome, including a ‘no, with the name played back’.
Provide advice on next steps and ability to override	**Pay.UK response:** The options for the payer customer if a negative CoP outcome is received are: – To confirm the correct details with the payee – Correct the error (if there has been one) and resubmit – Cancel the payment – Proceed to make the payment with clear warnings about the consequences and liability if the payment goes wrong The introduction of CoP will require PSPs to strike a balance between minimising friction for positive CoP outcomes and introducing appropriate friction for negative CoP outcomes to ensure the payer is given an opportunity to exercise suitable care before executing a payment.

Finding 3: There should be clarity about liability

Guidance should be provided by banks.

Pay.UK response: Guidelines clearly set out what precisely is being confirmed – i.e. the name on the beneficiary account only. Customers must still be clear that they are making a payment to someone they want to pay for a legitimate purpose.

Pay.UK response: Pay.UK guidelines require PSPs to be clear in the warning messages they give to customers who may choose to proceed, having received a negative CoP outcome. We would expect the topic of liability to be considered further under the requisite duties of care, e.g. under the Contingent Reimbursement Model or other industry practices.

Finding 4: A universal ‘kitemark’ was not considered necessary

Kitemark or brand may cause unnecessary friction.

Pay.UK response: Pay.UK agrees with the research findings that a universal ‘kitemark’ is not required for the CoP Service. Pay.UK guidelines set out the need for PSPs to be clear and consistent in describing what the CoP service does (and doesn’t) do [i.e. an Account Name Check].

Finding 5: Consideration should be made for vulnerable groups

Extra assistance required

Pay.UK response: Pay.UK will work with PSPs during the implementation of CoP to ensure that the needs of people with sight loss, dyslexic customers, the elderly and other groups considered to be at risk are met.

Finding 6: Raising awareness and education is important

Education key to getting most out of the service

Pay.UK response: Pay.UK’s role is to deliver the market capability for PSPs to offer the service to their customers and Pay.UK will therefore not take an active role in education.

Raising awareness of CoP, educating customers on how to get the most out of the service and ultimately changing customer behaviours will all be critical to the medium- to long-term success of CoP as a service. This is a role that needs to be undertaken by PSPs with their customers and Pay.UK will provide support and guidance to help PSPs with this important deliverable as part of the implementation of CoP.

Other important findings not related to the CoP proposition:

Call for centralised infrastructure	**Pay.UK response:** The PSF blueprint, published in December 2017, consulted fully on the design of CoP and the industry set the direction and proposed principles that CoP should be delivered based on a decentralised infrastructure. Pay.UK's design of the CoP proposition enables PSPs to engage third-party vendors to support them with the delivery of their CoP service. Equally, this does not prevent PSPs from developing solutions that support collaborative CoP decision-making using third-party solution providers. Initial market testing undertaken by Pay.UK has identified more than 20 third-paty solution providers with an interest in supporting the launch of CoP.
Data Protection	**Pay.UK response:** In validating the CoP proposition, rules and standards, Pay.UK has completed a GDPR Legitimate Interests Assessment (LIA). This LIA assessment has assisted Pay.UK to determine that the legitimate interests basis is likely to apply to the processing of data necessary to execute Pay.UK's CoP proposition: (1) Purpose test: is CoP pursuing a legitimate interest?; (2) Necessity test: is the processing of data necessary for that purpose? and; (3) Balancing test: do the individual's interests override the legitimate interest? The LIA undertaken by Pay.UK was in its role as the governing body of CoP, with responsibility for creating, oversighting and ensuring compliance with the rules and standards of the service and managing critical registry functions, including granting access to approved participants. The applicable data controllers for the CoP service are the PSPs and therefore the expectation is that each PSP offering the CoP service will undertake their own GDPR LIA, including where applicable assuring that any data processors they engage, such as third-party providers, comply with GDPR.

Research by Trinity McQueen

Background and objectives

The CoP service aims to give the end user more control and more certain outcomes when they make a payment by providing them with assurance regarding the name on the account they wish to make a payment to.

The PSF proposed that additional safeguards were put in place for ‘push’ payments to help resolve two challenges:

1. Misdirection of payment due to unintentional errors
2. Increased likelihood of fraud due to APP scams. This was raised via a Which? super-complaint to the Payments Systems Regulator. UK Finance released figures that showed just over £100m was lost to transfer scams in the first six months of 2017. This was made up of 19,370 cases – with an average loss of £3,027 for consumers and £21,477 for businesses

Misdirected payments may arise from accidental errors made by the payer in inputting the payee’s details, or as a result of malicious intervention such as an attempted APP scam (where a customer is tricked into authorising a push payment to an account belonging to a fraudster). The primary objective of the CoP service is to flag payment instructions that may be misdirected before they are made, prompting end users to undertake additional due diligence before initiating the payment and therefore address the associated detriment of payments not being routed to where they were intended. More broadly, it contributes to the overall intention of the Assurance Data solution as a whole to help prevent any outcome to a payment instruction other than that intended by the end user who initiates the payment.

Pay.UK is taking forward the work of the PSF to define the rules and standards for a CoP service to facilitate the creation of CoP capability for the market in 2019. Payment Service Providers (PSPs) will be in control of implementing the feature into their customers’ payment journeys.

The work of the Payment Strategy Forum

The Payment Systems Regulator (PSR) established the PSF in 2015 to develop strategic initiatives where the industry would work together to deliver innovation. As part of its strategy development phase, the PSF worked closely with the Payments Community to identify a number of detriments currently experienced by end-users of the retail interbank payment systems in the UK. The feedback the PSF received demonstrated that consumers and organisations desire:

- **Greater control** over automated payments, so end users can choose when and how to pay, in the moment
- **Greater assurance**, through the ability to track payments once they are made so that end users can guarantee they reach the intended recipient, and through access to real-time balance information to help end users better manage their cash flow
- **Enhanced data**, and the ability to access additional data that allows end users to fully understand what a payment they make or receive relates to

The PSF proposed three End-User Needs (EUN) solutions – Request to Pay, Assurance Data, and Enhanced Data – to address the above three detriments as part of its 2016 strategy.

Following a consultation process with the Payments Community, the PSF developed high-level rules and requirements, design principles, and use cases. This was included in the PSF’s Design & Implementation Blueprint, published in December 2017 and taken on by Pay.UK to review and deliver.

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[1] https://www.psr.org.uk/sites/default/files/media/PDF/which-super-complaint-sep-2016.pdf

Assurance data

Assurance data is planned to give end users more assurance that their intentions in originating or requesting payments have been followed through. One of the components of this solution is CoP, which will help avoid misdirected payments due to unintentional errors and help prevent certain types of fraud due to APP scams.

CoP will provide an end user with information to determine whether the name on the account they are making a payment to matches that of the intended recipient, prior to initiating the payment instruction. It is, in essence, an account name checking service.

Objectives

Pay.UK commissioned this research with the objective of understanding current behaviours, concerns of consumers and stakeholders when making push payments, as well as initial reactions to the CoP proposition to validate that it addresses detriments, is workable and does not inadvertently lead to new detriments.

Specifically, research was required to understand:

- Current behaviours/concerns when making push payments for consumers and small and medium-sized enterprises (SMEs)
- Reactions to proposed CoP changes, including:
  - Ease of use/clarity for each scenario
  - Effect on confidence
  - Likely impact on behaviour
  - Identification of any concerns/ frustrations
  - Whether a universal trust mark is required
  - To make recommendations for consideration by Pay.UK

Methodology

Key considerations for the methodology

Pay.UK was aware that they may not have identified all of the factors requiring consideration during the development of the CoP standard and its subsequent implementation by banks. The research needed to explore users' current perceptions of push payments, test and validate the CoP proposition, and consider whether it was being perceived as a service in its own right or simply an element of an existing transaction.

The research approach

Given the need to explore current behaviours and capture detailed feedback to the proposed CoP service, a purely qualitative approach was adopted. Fieldwork was split into three main approaches: roundtable events with industry and consumer representatives; consumer focus groups; and a moderated online platform with SMEs. This triangulated approach ensured that the research covered a wide range of perspectives. Participants in the roundtables and SMEs were also asked to respond with their own personal 'consumer' feedback.

All research was facilitated by the independent research agency, Trinity McQueen.

Fieldwork was conducted in June and July 2018.

Roundtable events

Roundtable events were used with focused interest groups to understand specific issues or queries that could potentially arise from the CoP service that consumers may not be aware of and able to predict themselves. The roundtables allowed for an open discussion between the representatives of certain organisations and key people at Pay.UK, who were able to answer questions directly within the sessions. These sessions complemented the consumer and SME strands of research by highlighting some of the more unique aspects that they would challenge in implementing CoP.

There were eight roundtables, which included the following stakeholder groups:

- Corporates and charities
- Government departments
- Payment initiation service providers (PISPs)
- Trade bodies
- Consumer representatives
- Payment Services Providers (not represented on the CoP PSP Advisory Group)
- Vendors

All sessions were held at Pay.UK offices in London. They were attended by employees from Pay.UK, and were facilitated by Trinity McQueen. The attendees represented 133 organisations in total.

Consumer focus groups

Consumer focus groups were used to explore people's current experiences of push payments and to look at the pros and cons expected from the proposed CoP process.

There were six consumer focus groups in total, each with eight consumers. These were held face-to-face in London, Manchester and Birmingham, and were facilitated by moderators from Trinity McQueen. The group, face-to-face environment meant the facilitators could stimulate debate among participants to help understand what the real benefits and pain points of CoP would be.

As this was a qualitative study, the results in this report are not representative of specific groups; however, they were recruited to ensure as diverse a composition as possible. The respondents were recruited based on the following criteria:

- Mix of life stages, socio-economic group, and gender
- Range of banking providers (banking with one of big 9)
- All were setting up new payments at least every 3 months
- A range of banking behaviours, from very knowledgeable to less experienced consumers

These groups were all shown proposed user flow stimulus material, demonstrating the new approach and outcomes based upon various scenarios for feedback. They ran for approximately 90 minutes each.

SME online community

Thirty SMEs had access to an online platform for 5 days on which they were asked to complete tasks and answer questions with guidance from the moderators.

This method was used so that SMEs were able to complete the research in their own time, rather than having to meet face-to-face at a specific time and location. This ensured the research was able to include participants from a wide variety of geographical locations and sectors that it would not have reached otherwise.

SMEs were recruited based on the following criteria:

- Were the main financial decision-maker
- A mix of sectors
- Spread of regions in England, Scotland, and Wales
- All were setting up new payments regularly

SMEs were shown the same user flow stimulus material as the roundtable events and consumer groups; however, they were asked to comment on the CoP service and outcomes from the perspective of their business role.

Stimulus material

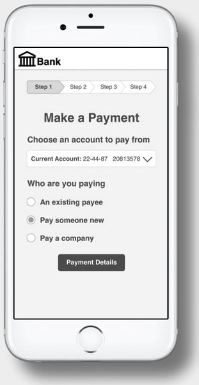
All participants were shown proposed user flow stimulus, demonstrating the CoP proposition and outcomes based upon various scenarios for feedback. To avoid participants focusing too much on a specific banking experience within the fieldwork, the stimulus shown throughout the research was a white label prototype of a basic journey, based on a review of the 9 major banks' current journeys.

The generic white label mock-ups ensured that the participants were able to focus on the CoP service rather than being distracted by particular design elements or by not recognising the transaction themselves. The facilitator in each session explained that their current banking journey would remain the same, apart from where the proposed CoP service would be included. For this stage of the research, the prototypes were mobile rather than desktop, although it was explained that similar user engagement could be envisaged over the web or telephone.

The following stimulus was used in discussions on CoP supported by a consistent discussion flow, broadly covering the following areas:

- Understanding current payment behaviours including any concerns or negative past experiences
- Reactions to CoP routes
    - Each route was shown in the same order, with the moderator responding to initial reactions and questions as they arose
- Overall thoughts on CoP, including;
    - How to optimise it
    - Thoughts on kitemark
    - How best to communicate CoP

Initial payment set-up



Choose an account to pay from

Current Account: 22-44-87 20813578

Who are you paying

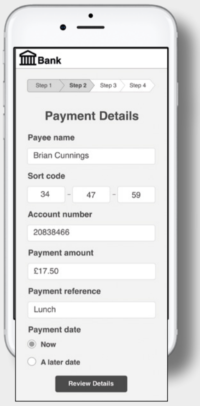
○ An existing payee

● Pay someone new

○ Pay a company

Step 1

User chooses the account to pay from and that they are paying someone new. Consistent with current user flow.



Payee name: Brian Cunnings

Sort code: 34 - 47 - 59

Account number: 20838466

Payment amount: £17.50

Payment reference: Lunch

Payment date

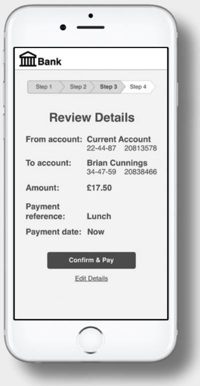
● Now

○ A later date

Step 2

User completes the payment details. Consistent with current user flow.

In this example the payee is Brian Cunnings.



From account: Current Account 22-44-87 20813578

To account: Brian Cunnings 34-47-59 20838466

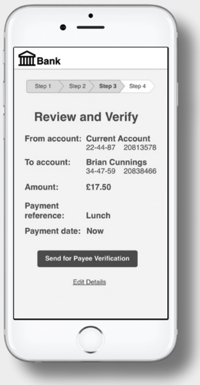
Amount: £17.50

Payment reference: Lunch

Payment date: Now

Step 3

User reviews their details and has the option to edit them or confirm them.



From account: Current Account 22-44-87 20813578

To account: Brian Cunnings 34-47-59 20838466

Amount: £17.50

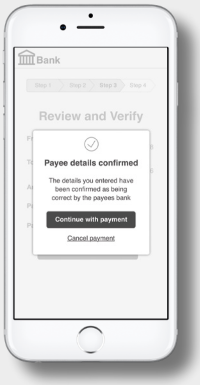
Payment reference: Lunch

Payment date: Now

Step 3 (New)

This is the first new screen in the flow and would replace the screen on the left. Same content as previous screen but the CTA changes to "Send for Payee Verification". User still has the option to edit the details should they wish.

Verification Outcome 1 (Payee details confirmed)

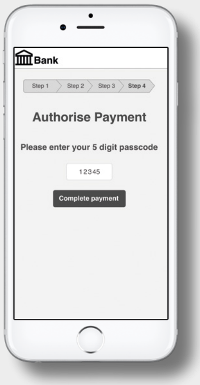

Bank
Step 1
Step 2
Step 3
Step 4
Review and Verify
Continue with payment
Cancel payment

Payee details confirmed

The details you entered have been confirmed as being correct by the payees bank

Step 1

Positive outcome. The details have been entered correctly and the user continues with their payment.


Bank
Step 1
Step 2
Step 3
Step 4
Complete payment

Authorise Payment

Please enter your 5 digit passcode

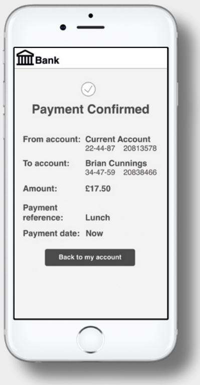
12345

Step 2

Once the user has completed the verification process the standard process continues.

Across the banks there is some form of authorisation. This might be a passcode, call back or pin entry among others.

For the purpose of this process we have requested a 5-digit passcode as representation of the authorisation stage.


Bank
Back to my account

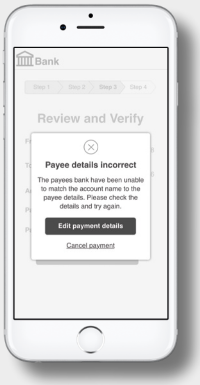
Payment Confirmed

From account: Current Account 22-44-87 20813578
To account: Brian Cunnings 34-47-59 20838466
Amount: £17.50
Payment reference: Lunch
Payment date: Now

Step 3

Once the payment is complete, confirmation is delivered with a call to action to return to a users account page.

Verification Outcome 2 (Payee details incorrect)


Bank
Step 1
Step 2
Step 3
Step 4
Review and Verify
Edit payment details
Cancel payment

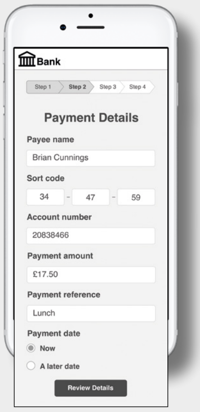
Payee details incorrect

The payees bank have been unable to match the account name to the payee details. Please check the details and try again.

Step 1

The verification is unable to match the account name to the payee details.

The customer is asked to edit the payment details, or they can cancel the payment.

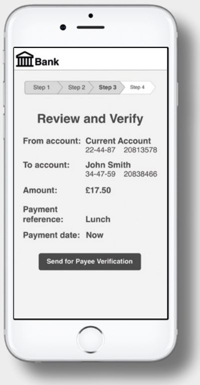

Bank
Step 1
Step 2
Step 3
Step 4
Review Details

Payment Details

Payee name: Brian Cunnings
Sort code: 34 - 47 - 59
Account number: 20838466
Payment amount: £17.50
Payment reference: Lunch
Payment date: ● Now ○ A later date

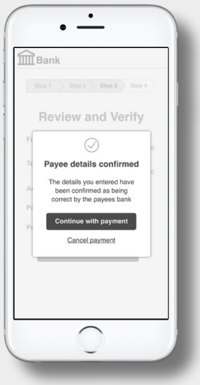
Step 2

The user realises the name is wrong and updates the details.


Bank
Step 1
Step 2
Step 3
Step 4
Send for Payee Verification

Review and Verify

From account: Current Account 22-44-87 20813578
To account: John Smith 34-47-59 20838466
Amount: £17.50
Payment reference: Lunch
Payment date: Now

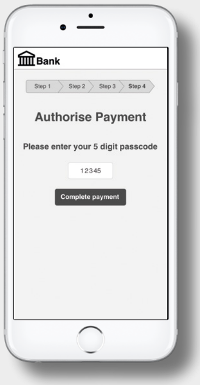

Bank
Step 1
Step 2
Step 3
Step 4
Review and Verify
Continue with payment
Cancel payment

Payee details confirmed

The details you entered have been confirmed as being correct by the payees bank

Step 3

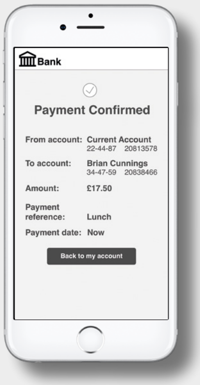
The user sends the details for verification again which now comes back with a positive response.


Bank
Step 1
Step 2
Step 3
Step 4
Complete payment

Authorise Payment

Please enter your 5 digit passcode

12345


Bank
Back to my account

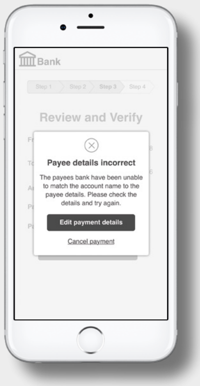
Payment Confirmed

From account: Current Account 22-44-87 20813578
To account: Brian Cunnings 34-47-59 20838466
Amount: £17.50
Payment reference: Lunch
Payment date: Now

Step 4

The payment is authorised and confirmed.

Verification Outcome 3 (Payee name incorrect)


Bank
Step 1
Step 2
Step 3
Step 4
Review and Verify
Edit payment details
Cancel payment

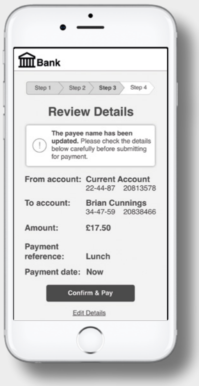
Payee details incorrect

The payees bank have been unable to match the account name to the payee details. Please check the details and try again.

Step 1

The payee name has been misspelt. The payee’s bank returns the correct name that matches the account details supplied.

The user has the option to confirm the new name supplied or cancel the payment.


Bank
Step 1
Step 2
Step 3
Step 4
Confirm & Pay
Edit Details

Review Details

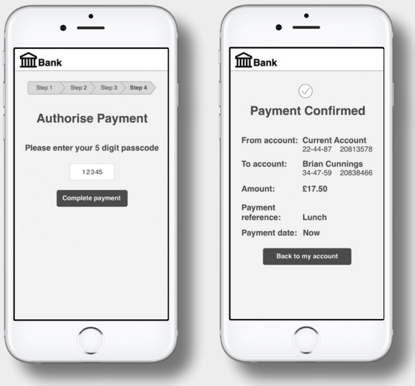
The payee name has been updated. Please check the details below carefully before submitting for payment.

From account: Current Account 22-44-87 20813578
To account: Brian Cunnings 34-47-59 20838466
Amount: £17.50
Payment reference: Lunch
Payment date: Now

Step 2

If the user confirms the new name, the bank auto-updates the details and supplies a user alert.

This informs the user that the name has been updated and reminds them to check the details before confirming payment.


Bank
Step 1
Step 2
Step 3
Step 4
Complete payment
Bank
Back to my account

Authorise Payment

Please enter your 5 digit passcode

12345

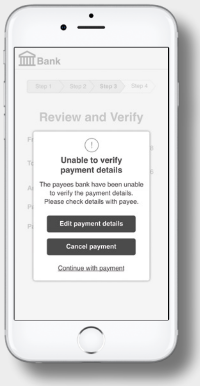
Payment Confirmed

From account: Current Account 22-44-87 20813578
To account: Brian Cunnings 34-47-59 20838466
Amount: £17.50
Payment reference: Lunch
Payment date: Now

Step 3

The payment is authorised and confirmed.

Verification Outcome 4 (Verification not possible)


Bank
Step 1
Step 2
Step 3
Step 4
Review and Verify
Edit payment details
Cancel payment
Continue with payment

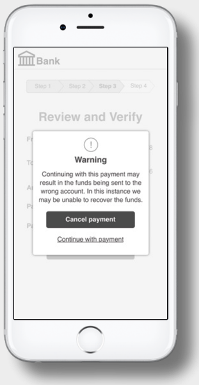
Unable to verify payment details

The payees bank have been unable to verify the payment details. Please check details with payee.

Step 1

The verification is not possible as the payee has opted out.

The user retains the ability to continue with the payment or cancel it.

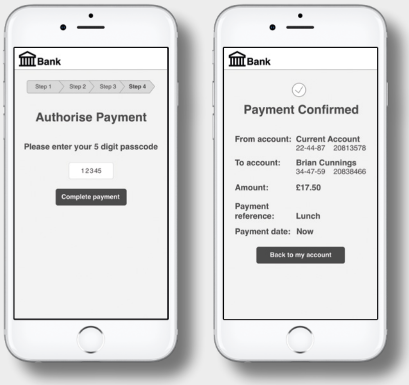

Bank
Step 1
Step 2
Step 3
Step 4
Review and Verify
Cancel payment
Continue with payment

Warning

Continuing with this payment may result in the funds being sent to the wrong account. In this instance we may be unable to recover the funds.

Step 2

Should they continue they are given a user alert informing them that if the payment goes into the wrong account the bank may be unable to recover the funds.


Bank
Step 1
Step 2
Step 3
Step 4
Complete payment
Bank
Back to my account

Authorise Payment

Please enter your 5 digit passcode

12345

Payment Confirmed

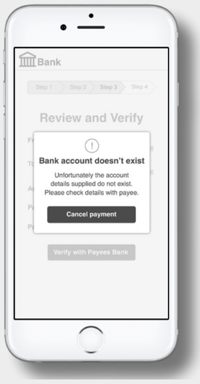
From account: Current Account 22-44-87 20813578
To account: Brian Cunnings 34-47-59 20838466
Amount: £17.50
Payment reference: Lunch
Payment date: Now

Step 3

If the user continues the payment is authorised.

The payment is confirmed.

Verification Outcome 5 (Account doesn’t exist)


Bank
Step 1
Step 2
Step 3
Step 4
Review and Verify
!
Cancel payment
Verify with Payees Bank

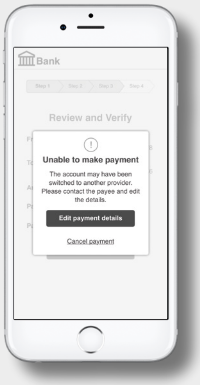
Bank account doesn’t exist

Unfortunately the account details supplied do not exist. Please check details with payee.

Step 1
The bank account does not exist.

In this instance the only next step is to cancel the payment and check details with the payee.

Verification Outcome 6 (Account switched)


Bank
Step 1
Step 2
Step 3
Step 4
Review and Verify
!
Edit payment details
Cancel payment

Unable to make payment

The account may have been switched to another provider. Please contact the payee and edit the details.

Step 1
The bank account may have been switched to another provider.

In this instance the only next step is to check details with the payee and edit the details, or cancel the payment.

Summary of findings and recommendations

Throughout the research, some participants thought that the name was already being checked when setting up new payments. In this respect, adding the CoP service would therefore introduce a step that many think already happens.

CoP was considered a welcome change by the consumers and stakeholders surveyed; however, there were several themes that would be helpful for Pay.UK and the industry to consider to support its successful implementation in the market.

This report details perspectives to CoP, and then focuses on key areas to address, which should be considered in the next phase of development and throughout launch.

Overall, CoP is seen as a step in the right direction

There is an expectation that it will reduce the chance of misdirected payments and some fraudulent activities, particularly from SMEs who are less familiar with the people they are paying and who are setting up new payments more regularly. While misdirected payments are not seen as a huge issue by many, people understand that there is a risk involved, and it is not always easy to retrieve money which has been sent to the wrong place.

Throughout the research, some participants thought that the name was *already* being checked when setting up new payments. In this respect, adding the CoP service would therefore introduce a step that many think already happens.

In general, most people are very comfortable and familiar with setting up new payments. The fact that the process is so quick and they can do it from their phone or laptop instils confidence in many consumers, as they feel they understand the process well. The CoP service would therefore provide an additional check in a journey they are already confident with.

There was support among all audiences for greater reassurance and increased checks

When setting up new payments, consumers are generally implementing their own security checks to ensure the money is sent to the right place. This includes things such as double or triple checking the payment details, sending £1 ahead of the full amount, and calling the payee for confirmation that the money has arrived in their account. For consumers, the introduction of CoP was felt – in some cases – to reduce the need for individual security checks and give reassurance to those who typically are not making big electronic payments (e.g. older people).

Organisations are often using similar ad-hoc checks to consumers; however, some larger organisations also use specific programmes for banking processes. For businesses, the introduction of CoP could reduce the use of phone and in-branch banking in some cases while providing greater reassurance that payments are being made to the correct payee.

For businesses, the introduction of CoP could reduce the use of phone and in-branch banking in some cases while providing greater reassurance that payments are being made to the correct payee.

Issues to address

Consistency

There were strong calls among all audiences in the research for consistency in the execution of CoP, both in terms of language/terms used to describe the service, and in the matching algorithms the banks will use to check for name matches. Participants foresaw significant frustrations if the outcomes of CoP are different across banks and identified a clear role for Pay.UK to deliver specific matching guidelines to banks and PISPs.

Consumers were in agreement that a universal kitemark is not necessary; equivalent examples to services such as 'Verified by Visa' weren't felt to give any more reassurance, and in fact are seen as another step in the journey, which is more frustrating than helpful. There is enough trust in the banks to provide trust in the service.

Liability and language

At present, consumers are largely in agreement that they are liable if a payment is sent to the wrong account as a result of human error inputting the details. The introduction of CoP was felt to confuse matters over who is liable, as the messaging suggested to some that the bank would now be responsible in some of the outcomes. On the other hand, some of the outcomes were felt to be shifting responsibility to the payer. Hence, liability must be clearly defined on each journey.

Avoiding complex and technical language will help with clarification. Some of the terminology was not immediately clear to the participants in the research. For example, the meaning of 'payee' and 'verification' was not clear to all.

In general, all language should avoid jargon and financial terminology, which is likely to put off consumers and lead to more confusion.

Usability

Consumers and SMEs are relatively comfortable setting up and making online payments and want the process to remain as easy and frictionless as possible. Those that bank with providers who create more friction in the process (e.g. needing a card reader or not being able to set up payees through an app) were frustrated with the process, and felt it was off-putting to create 'unnecessary' obstacles.

There is a need to maintain smooth journeys and ensure real-time results, as this was a key concern among participants. They want verification to happen instantly and, in the case of a 'positive' outcome, there were some calls for removing the step altogether.

In the case of negative outcomes, users need more advice on what they should do next. Simple visual cues such as a red box to highlight where they have made a mistake will help to speed up the process. In more complicated outcomes, advice on whether they should contact their bank or the payee would also help to smooth out the journey.

Education

While usability and clarity will be essential, a wider consumer education piece will also be required to shift behaviour. At present, people are used to giving out their sort code and account number so they will need reminding of the need to also give the name on the bank account.

Issues surrounding privacy and data protection are an increasing concern with people becoming more knowledgeable and vigilant about where their data is stored and how it is being used. A wider education piece will help to allay some of these concerns. Furthermore, it presents a good opportunity for banks to communicate how they are protecting their customers with added security measures.

The majority of consumers want the introduction of CoP to have very minimal impact on their day-to-day banking experiences, and are unlikely to spend time reading about the details of the change. However, more detailed information should be available for those who seek it, and it should be presented in a clear and accessible format with simple language.

Additional considerations will be needed for vulnerable groups and will require more research.

Detailed findings and recommendations

Reactions to CoP

There is an expectation that it will reduce the chance of misdirected payments and some fraudulent activities

- There are low levels of fear around sending money to the wrong place
  - Consumers (and businesses) are not especially concerned about misdirected payments
- But, should something go wrong, the additional name check will reassure
  - While not a conscious concern, there was some awareness that the possibility exists of sending money to the wrong place, and CoP will mitigate against human error to a certain extent
- While not considered foolproof against fraud, it will add an extra layer of confidence when banking online
  - Most people are comfortable with online banking, but will provide some reassurance to those who are currently wary (e.g. older, vulnerable people)

CoP formalises a step many think already happens

- There is an uncertainty in what is currently checked when setting up a new payee
  - Many think the recipient name is already checked
  - It seems logical to include this as part of formal process
- Adding name felt to be an intuitive extra step in comparison to other checks
  - Although mobile number was also popular among younger consumers (e.g. Barclays Pingit, Monzo, Paym)

CoP provides another check in a journey they are already confident with

- Generally, people are happy and comfortable setting up new payments
- An easy and straightforward process means they are highly familiar with it
- While there are no major issues with how they currently bank, if the journey remains frictionless, consumers are fine with having an extra step if they perceive an added security benefit

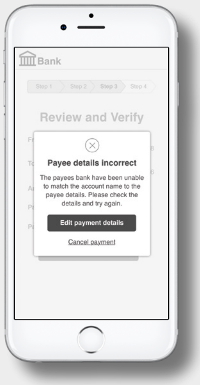
> *I think it will help with genuine mistakes, but there is always going to be a battle against preventing fraudsters”*
>
> **Government Department Roundtable**

> *When I set up a payment I just need the name, account number, and sort code – that’s all you need”*
>
> **40-65 Consumer, Birmingham**

> *If it doesn’t add too much time to the process, it’s worth it”*
>
> **20-39 Consumer, London**

In this example (Fig. 1), the message of incorrect details was appreciated in the case of a genuine mistake as it forces the user to take notice when setting up a new payment, stopping an error before it becomes a much larger issue:

- When reminded that this is only in the instance of setting up a new payee, it doesn't seem too onerous and is good to get the details right from the start
- If the message is not seen regularly it will be more effective – making people take notice and feel appreciative that checks are in place


Bank
Step 1
Step 2
Step 3
Step 4
Review and Verify
Payee details incorrect
Edit payment details
Cancel payment

The payees bank have been unable to match the account name to the payee details. Please check the details and try again.

Fig. 1

Verification Outcome 2
(Payee details incorrect)

> *It would be frustrating, but it's a security check that might be necessary."*
>
> **40-69 Consumer, Manchester**

> *I guess I don't really set up that many new payments – it's mostly the same people."*
>
> **20-39 Consumer, Birmingham**

Support for greater reassurance

> *You always think it's fine until it's not, adding a bit of extra protection wouldn't hurt"*
>
> **40-65 Consumer, Birmingham**

Consumers are currently implementing their own ad-hoc security checks for large amounts of money:

- For example, they will 'double and triple check' the information when setting up new payees
- Some will send £1 to the payee before sending the full amount
- Some will screenshot the transaction if done via mobile/desktop, should they need proof of the transaction
- Some will call the payee to check they have received the money

For smaller amounts, there is less concern and the process of making payments is very quick and done with minimal checks. There is trust that the money will go to the right place.

The introduction of CoP was felt – in some cases – to reduce the need for individual security checks and give reassurance to those who are not making big electronic payments (e.g. older people).

- It would give an extra layer of security, but not enough to change their behaviour completely
- If it's a significant transaction they will still do their own security checks
    - The threshold for what is considered important is very subjective. For some it is £20, for others £200. If it is important to them they will do their own checks

Organisations tend to use security and accounting software which gives added protection; however, human error is still a concern.

- New payees often set up and put into system before any money is sent through
- However, staff members responsible for setting up new payments will still do similar checks to those of consumers (e.g. triple-checking, calling the payee)

The introduction of CoP would reduce the use of phone and in-branch banking in some cases, and give greater reassurance to those in their work role.

- Setting up new payees is part of the workload, so they are not as concerned with the process being as quick as possible
- An extra step in the process is not perceived as a huge issue especially as most are unfamiliar with their payees (i.e. do not personally know the person they are paying)

In conclusion, the overall reaction to the concept of CoP was largely positive; consumers and organisations understand that an extra level of security will be beneficial on the whole. However, CoP is unlikely to radically change their behaviour, as most will still implement their own checks when setting up new payees.

The following section will outline how to ensure CoP remains as frictionless as possible for users, ensuring maximum success of the service at launch. It is split into four key areas, based on feedback from consumers, businesses, and roundtable representatives, considering all outcome pathways holistically.

> *It would definitely make me feel better setting up new online payments"*
>
> **SME**

Consistency

> *There needs to be consistency in how this all works when it is launched, otherwise it will be chaos."*
>
> **Trade Bodies Roundtable**

Consistency in execution of CoP is essential and Pay.UK is expected to provide clear guidelines to banks and PISPs on how to achieve this.

Pay.UK needs to take a clear centralised role to deliver specific guidelines

Banks and PISPs will require a strict set of guidelines to ensure consistency across CoP:

- Clear guidelines and a specific framework are needed but with the ability to tailor wording in terms of tone and language
- Banks still need to be able to communicate with their customers in unique ways
  - While a framework is needed, this does not need to be word-for-word

1. **Consistency in likelihood of a match and language**

- Payers entering the same details for one payee – e.g. 'D Smith' instead of 'David Smith' – this must have the same outcome across banks
- If there is inconsistency, it risks causing confusion and overall distrust in the service
- There also needs to be some consistency in language. While banks will have their own tone of voice, there needs to be consistency with key terminology to ensure trust across the service (e.g. confirmation or verification)

In the outcome where a 'close match' is played back to the user, there is a need for matches to be consistent across banks. The definition of 'close match' is complex; there are a wide number of variables to consider and there was little consensus on how far 'out' the match could be. Having consistency in matches across banks will be the first step to ensuring this outcome is implemented and accepted by users.

Just some of the variables that came out of the research included:

- **Joint accounts/maiden names:** many people have different names to their spouse, have recently changed their name, or use a different surname in professional settings
- **Abbreviations:** 'Samantha' could be abbreviated to 'S', 'Sam', and 'Sammy'; there are countless other similar examples which would need to be agreed in the system. Some users prefer to use a name meaningful to them – e.g. 'plumber' – so it's easier to identify on their statement
- **Middle names:** many people are commonly known by their middle name or nickname. Would CoP include extra names or not? Would this make a difference to the outcome?
- **Long and foreign names:** Often very tricky to spell and more chance of getting one or two characters wrong. For example, Chinese names are often spelled with the second two letters switched – both names are valid but are different names, not close matches
- **Common misspellings:** even 'easier' names might be tricky for people to spell, and there are so many variations of common names. CoP could also lead to awkwardness around asking for a name – especially if the payee is known to the payer already
- **Company names:** how many bank accounts does a company have? Is a different set of rules for different amounts needed? SMEs often use personal name on account

These are just some of the potential variables which make 'close match' scenarios tricky to agree upon. Furthermore, there was no clear way to decide how close a match needs to be in order to be considered a close match, and have a name played back to the user.

- For example, a typo of Toby vs. Tony was considered acceptable by some, and unacceptable by others
- How do you decide if one, two, or three characters out is the threshold?

Regardless of the level of threshold for close matches, there was agreement on the need for consistency.

2. How to raise awareness of the change

- Linked with a wider education piece, banks and PISPs require guidance on how to communicate the change to ensure consistency of messaging
    - For example, why the name change is important and what it means for consumers
- Consistency in messaging will go some way in helping to alleviate consumer concerns around fraud and scams
- Crucial to communicate what it will and will not do

3. Calls for a centralised infrastructure

There were strong concerns among PISPs around organisations building their own capabilities to deliver CoP. The concerns included:

- **Cost:** smaller banks will struggle to afford to implement it
- **Time:** implementation of CoP seen to be an extremely time-consuming and lengthy process
- **Inconsistences in matches:** without a centralised infrastructure, there is a much higher chance of greater inconsistencies and variation between banks
- **Staggered launch dates:** smaller banks may lag behind. People who bank with multiple banks will experience launch of CoP in an inconsistent way

Ideally, CoP checks would be carried out by a centralised infrastructure:

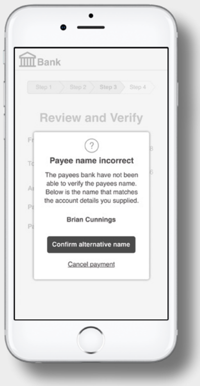
- This would overcome the launch barriers for many
- As a minimum, Pay.UK should create a shortlist of accredited vendors

In the case of an outcome where a ‘close match’ is played back (Fig. 2), a consistent approach will help to overcome privacy concerns.

There was concern over the name playback scenario; the introduction of GDPR in May 2018 means that people are much more wary of where their data is stored and what it is used for. Thus, users want reassurance that CoP is compliant and would not be enabling fraudsters.

A clear and precise set of guidelines and vetted supplier list will help to reduce concerns with the service.

> “*You are asking … banks to mess around with their infrastructure. It will take a while and cost a lot.”*
>
> **Trade Bodies Roundtable**



Payee name incorrect

The payees bank have not been able to verify the payees name. Below is the name that matches the account details you supplied.

Brian Cunnings

Fig. 2

Verification outcome 3
(Payee name incorrect)

Universal kitemark

> *A kitemark would give a degree of confidence that isn't warranted."*
>
> **Consumer Representative Roundtable**

A universal brand or kitemark is not needed to drive reassurance in service. There is enough trust and confidence in banks that it is not necessary

There is enough trust in banks

- People trust their banks enough already – a kitemark does not add any extra reassurance
- However, government departments felt that it would be important and give consistency and confirmation for consumers
- Adding a third party would make some more distrustful of the service…
- …and for others give more confidence than the service actually provides

It might create more friction in the journey

- A kitemark will potentially create another (perceived) step, adding to journey length
- Other examples, e.g. 'Verified by Visa', where it is felt to be more annoying than reassuring

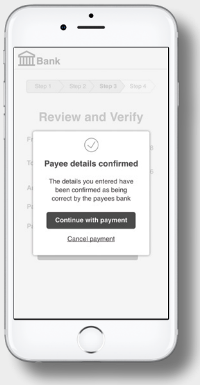
If a kitemark is used, a clear name will be essential

- 'Confirmation of Payee' is jargon to consumers
- 'Account checker' or 'account verifier' would be more easily understood
- 'Checker' would be more appropriate - feels less strong than 'verified'
- However, overall the name of the service is not important; most important is that people understand what it does

> *It should just be background, people will embrace extra security but it doesn't need unified branding if all banks are signed up to it."*
>
> **PISP Roundtable**

> *The name should just say exactly what it does – 'account checker' is good."*
>
> **SME**

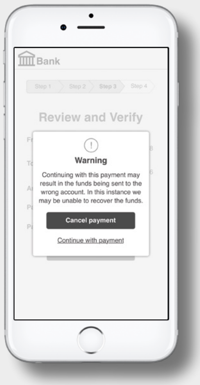
Clarity



Payee details confirmed

The details you entered have been confirmed as being correct by the payees bank

Fig. 3



Warning

Continuing with this payment may result in the funds being sent to the wrong account. In this instance we may be unable to recover the funds.

Fig. 4

Liability

CoP must provide clarity on who is liable in the event that payments are sent to the wrong recipient.

Currently, people generally understand that they are liable if they make a mistake when setting up a new payee. Most people are willing to take accountability, understanding that there is some personal responsibility involved. Furthermore, most believe that if money arrives in your bank account that is not yours, then you will have to pay it back.

However, people are not clear on the actual legalities in the case of misdirected payments, and believe there should be some assistance from banks in the case of genuine mistakes. There is uncertainty over whether there is a legal imperative to send back money that was not intended for your bank account.

The introduction of CoP was felt to confuse matters over who is liable in the case of misdirected payments.

Bank liable

Fig. 3. Suggests that the bank is checking; therefore, the bank is responsible if an error is made.

Payer liable

Fig. 4. Was felt like the payer was responsible in this case – i.e. 'you have been warned and it's your responsibility if you choose to proceed and the payment is incorrect'.

Language and wording will help to clarify questions surrounding liability, as will a wider consumer education piece.

Consumers are keen to know how it protects them, not how it protects the banks.

There were expectations that liability should be clearly highlighted, not 'hidden' in a lengthy Terms and Conditions box.

> *Does this mean liability has been transferred from me as a consumer? Or is it the banks trying to shift blame?"*
>
> **40-65 Consumer, Birmingham**

Language

It is critical that language is simple and clear throughout. There are three principles that banks can adhere to ensure that language is consumer-focused and avoids liability issues.

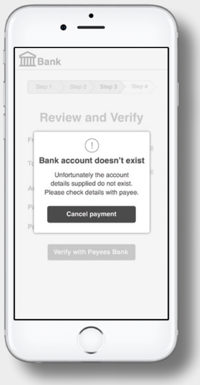
1. **Tell consumers exactly what is being checked; leave no room for interpretation**

Currently, the phrase 'account details checked' is not clear enough, as it does not explicitly say that the name is being included.

- A better example would be, 'The bank is now checking the account name matches the sort code and account number you have entered'.

Fig.5. By ensuring complete clarity in what is being checked, it will help to reduce the chance of misunderstanding of liability and over-reassurance.

While consumers felt the language was very simple and straightforward in this example, there was a need to know how it was different to current bank modulus checks. If different from modulus checks, it needs to be clearly communicated how it is different.



Bank account doesn't exist

Unfortunately the account details supplied do not exist. Please check details with payee.

Fig. 5

Verification outcome 5 (account doesn't exist)

Avoid jargon and financial terminology

There were various words in the prototypes that were not immediately clear to consumers.

- For example, ‘payee’ was felt to be too technical; to consumers the difference between payee and payer is not always clear
- The term ‘verification’ was also felt to give more reassurance than was warranted in what the service actually delivers

Language should help guide consumers through the process, not confuse them. Where there is a lack of understanding, consumers are more likely to disregard the whole process.

2. **Ensure consistency in terminology throughout**

In the stimulus set, ‘verification’ and ‘confirmation’ were used interchangeably when describing the same process. This led to some confusion overall.

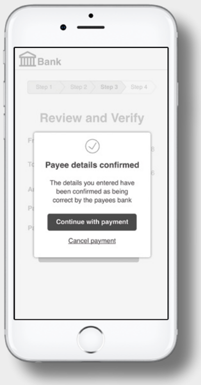
Regardless of specific language used, it should be applied consistently throughout. For example, the same word should be used: ‘account checker’, ‘we are checking’, ‘the account has been checked’.

Consistency in terminology is crucial in helping overall clarity and understanding of CoP.

> “*It’s fine, straightforward. My bank already does this, though.”*
>
> **20-39 Consumer, London**

Usability

> *If it isn't instant, it will be really annoying."*
>
> **20-39 Consumer, Birmingham**



The details you entered have been confirmed as being correct by the payees bank

Fig. 6

Verification outcome 1 (Payee details confirmed)

> *The screen just causes more friction, it doesn't need to be there. We are always thinking, 'How can we reduce clicks?'"*
>
> **PISP Roundtable**

Maintaining a smooth (i.e. quick) journey will be essential to ensure that setting up new payees online is the preferred option for consumers. There are four key areas to consider/address to ensure CoP remains as smooth as possible from the user's point of view.

1. Instant verification

- The key concern for consumers was around lag time and how long an added step will add to their journey
- Those who live in rural areas with slow broadband are most concerned with the potential delay
- Instant verification will be crucial to ensure the process remains as smooth and frictionless as possible for consumers

2. Smooth transition at launch

- If CoP has multiple teething problems, consumers are more likely to stick with telephone/in-branch methods
- All potential issues need to be considered and ironed out to ensure a smooth launch without significant problems
- There were suggestions from the roundtables and SMEs that this could be rolled out with organisations first, before consumers

3. Consider removing CoP feedback step for 'positive' path

- 'Positive' pathway adds an unnecessary step – potential to confuse matters and slow down overall process
  - Only in 'negative' outcomes is a further step necessary
- If there is a match it could be done in the background
  - Consumers will not know the difference
  - Many assume it gets checked anyway
  - Although must be communicated to the wider consumer audience

4. Provide advice on next steps, and ability to override where possible

Users will need hand-holding on what to do next in the event of a 'negative' outcome. Consumers need to know exactly what they should do next, for example:

- Highlight in red where an error was made so they can quickly edit it
- Let them know if their best option is to phone the payee or phone their bank
- Let them have an option to edit the details if the bank account does not exist
- If the account cannot be verified, then do not give them the option to edit details (this provides false hope)

Clearly demonstrating exactly what users need to do next will speed up the process by taking out the thinking, and helping them to feel more in control of the payment. Furthermore, it will increase confidence and warmth towards the service. Users want to feel the service is helping them to make payments, not just scaring them.

Some users want an override option to continue with payment; however, this must be clearly labelled and with clear fraud warnings.

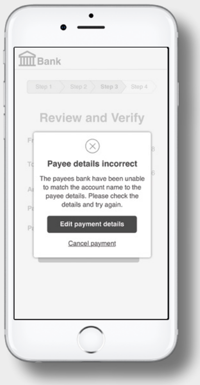
> *The whole e-commerce world is moving to 1-click, facial purchasing, voice technology. Why are we adding steps rather than removing them?"*
>
> **PISP Roundtable**

In the example of Fig. 7, where the payee details are incorrect, consumers felt there was not enough information on where an error had been made.

- ‘Payee details incorrect’ is too vague
- Needs to clearly explain where the match has failed
- This may be an example where the need to override and continue with payment (with clear liability messaging) becomes necessary. As people become more familiar with the service and when making smaller payments, the need to override becomes more necessary
- Furthermore, consumers foresee this as a common outcome; therefore, there is a real threat of this commonly frustrating the consumer

In comparison, in the outcome where the account has been switched (Fig. 8), the level of information was felt to be helpful in alerting users to why the payment would not go through, and what they should do next.

- Also gives option to edit details so that old data would not need to be kept
- However, some confusion around the role of Current Account Switch Service – scope to educate users

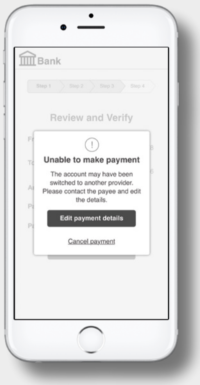


Payee details incorrect

The payees bank have been unable to match the account name to the payee details. Please check the details and try again.

Fig. 7
Verification outcome 2
(payee details incorrect)

> “
>
> *It needs to tell me where I went wrong so I can quickly address it. Like when you are online shopping and you miss a field out – it tells you exactly what to do to fix it and doesn’t lose the information you already filled in.”*
>
> **40-69 Consumer, Birmingham**



Unable to make payment

The account may have been switched to another provider. Please contact the payee and edit the details.

Fig. 8
Verification outcome 6
(account switched)

> “
>
> *Tell people exactly where they have made a mistake – the alert is enough to make them take notice, don’t make the process any harder.”*
>
> **Consumer Representative Roundtable**

> “
>
> *In the world of contactless payments, it seems like too much.”*
>
> **Corporates & Charities Roundtable**

Education

> *There needs to be wide initiative about this change and, crucially, why it is happening. Put some facts and figures behind it"*
>
> **Corporates & Charities Roundtable**

A wider education piece is needed to ensure the long-term success of CoP and help shift behaviour.

Consumers need guidance on why the change is happening, information to reassure them on any concerns they have, reminders on what they need to do, and long-form information for those who want more detail on CoP.

1. Why CoP is being introduced

While there are no major concerns with CoP being introduced from the point of view of consumers, they also do not see it as particularly necessary. The sentiment of, 'Why fix what isn't broken?' rang true across the focus groups. Consumers need to understand why CoP is being introduced, and how it adds value to them.

A wider campaign would help to address some of the reasons for introducing CoP, and help anticipate what changes it will bring. For example:

- X number of people had misdirected payments last year…
- £X was lost last year in misdirected payments…

> *"Consumers need to know this is there to protect them, not the banks."*
>
> **- Consumer Representative Roundtable**

2. Reassurance on the benefits of CoP and how it protects the consumer

There was scepticism from some consumers (especially the younger age bracket) on the reasons for introducing CoP. Those who were sceptical felt it was more to do with helping the banks than for the benefit of consumers.

Furthermore, reassurance is needed over data protection laws, including who owns and stores the data, and how long it would be stored for. With the introduction of GDPR in May, consumers are increasingly more concerned and attuned to how their data is being used.

There is an opportunity to educate consumers on improvements in banking systems and the quality of service they are receiving. Furthermore, this could help in rebuilding some trust in banking systems.

3. Reminders to support behaviour change over time

Over time, there was a sense that people will get used to giving their name in the same way that we currently give our sort code and account number. However, there will be a considerable transition period before this behaviour becomes ingrained.

Many people are already giving out names with their account number and sort code, but there will be a need to remind them to do so accurately.

Prompts to help the transition would be welcomed, such as guides when you log-in, and notifications reminding people of the need for the correct name.

> *It's not that much more of a step to give out your name too. It will help us learn more names!"*
>
> **- 20-39 Consumer, Manchester**

4. Detailed information on CoP

Most consumers want the launch of CoP to be as simple as possible, and are unlikely to pay too much attention to it if it does not cause them any trouble. However, some consumers expect to be able to find a detailed source on CoP, including what is being checked, what types of responses could be returned, and in what scenarios these would happen.

They would expect to be able to access this online, and through their bank.

5. Extra considerations needed for vulnerable groups

- Visually impaired people will need assistance – online banking is already a struggle for many and it can take a long time for them to get familiar with processes
- People who do not have their own bank account throw up complications as the name will not match
- Suggestion of further trigger messages for vulnerable people – although this could also be more off-putting
- For some older people extra steps gives more confidence in the process (more important than speed)

> “
>
> *Lots of people don’t own their own bank accounts – what are they going to do?”*
>
> **Government Dept Roundtable**

> “
>
> *Lots of people are already wary of making electronic payments – all the warning signs could just put them off completely.”*
>
> **Consumer & Charities Roundtable**

> “
>
> *I would expect a notification when I update the app as to what has changed.”*
>
> **20-39 Consumer, Birmingham**

Glossary

APP	Authorised Push Payment
CoP	Confirmation of Payee
GDPR	General Data Protection Regulation
NPA	New Payments Architecture
Payee	Person or organisation receiving a payment
Payer	Person or organisation making a payment
PISP	Payment Initiation Service Provider
PSF	Payments Strategy Forum
PSP	Payment Service Provider
SME	Small and medium-sized enterprise

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