



PSR policy statement on mandatory reimbursement

18 July 2024

On 12 July 2024, the Payment Systems Regulator (the PSR) published its policy statement **The Faster Payments APP scams reimbursement requirement: compliance and monitoring July 2024 (the Policy Statement)** in response to the Consultation paper – **The FPS APP scams reimbursement requirement: compliance and monitoring (the Consultation)**.

The Policy Statement clarifies the PSR's position on:

1. the requirement for directed payment service providers (PSPs) to register with Pay.UK by 20 August 2024;
2. the data under reporting standard A that in-scope sending PSPs are required to report to Pay.UK;
3. the limits the PSR is placing on Pay.UK in respect of the use and disclosure of compliance data; and
4. the PSR's approach to requiring PSPs to inform consumers of their rights under the mandatory reimbursement scheme.

The finalised legal instruments Specific Direction 19 (SD19), Specific Direction 20 (SD20) and Specific Requirement 1 (SR1) have also been published on the PSR's webpage.

The points not to miss:

Policy position on Compliance Data Reporting Standards and data reporting requirements

The PSR's final policy position on key compliance monitoring is as follows:

- **Registration:** PSPs are required to register with Pay.UK by **20 August 2024**. PSPs are encouraged to register as early as possible to ensure completeness of the shared register – the FPS Reimbursement Directory.
- **Data reporting requirements:** the data and information that PSPs must collate, retain and provide to Pay.UK is contained in the Compliance Data Reporting Standards (CDRS).
- **Reporting standard A:** the reporting standard A in the CDRS will come into effect on 7 October 2024. In-scope PSPs must submit the first report to Pay.UK by 6 January 2025.
- **Reporting standard B:** the CDRS confirms the data that will be required within reporting standard B if this is brought into effect (and this will be consulted on in late 2024).

- **Information and record-keeping provisions:** minor changes have been made to (a) require PSPs to provide timely responses to reasonable requests for data from Pay.UK and (b) the record-keeping obligations that apply to all in-scope PSPs.
- **Data reporting principles – scope of claims:** minor amendments have been made to the CDRS to make it clearer that only claims that are in scope for assessment must be reported.
- **Process for amending the CDRS:** any proposed changes to the CDRS will be (a) consulted on in line with the PSR’s Powers and Procedures Guidance and (b) brought into effect no sooner than 90 days after they are confirmed.

Expectation on a consumer’s right to reimbursement under the rules

The PSR has confirmed its proposed amendments to SD20 to:

- require all directed PSPs capable of being a sending PSP who provide a relevant account to consumers to amend their contractual terms and conditions by **9 April 2025** to include a provision that a PSP would reimburse their consumers in line with the reimbursement requirement and rules;
- require PSPs to notify consumers of their rights under the reimbursement requirement and of upcoming contractual changes by 7 October 2024; and
- clarify that the reimbursement requirement applies to all reimbursable FPS APP scam payments executed on or after 7 October 2024.

The Policy Statement confirms the PSR is “*not proceeding with the creation of an actionable right for the consumer to enforce their rights under the reimbursement requirement and rules in the civil courts*”.

Reimbursement Claim Management System (RCMS)

PSPs are no longer required to comply with Pay UK’s FPS rule to use the RCMS. PSPs will now have a choice in how they communicate in respect of FPS APP scam claims and how they manage these claims. This includes the use of the RCMS, Best Practice Standards System (which is already used by some PSPs as part of the CRM Code) or, other manual means.

The PSR says this flexible approach will enable in-scope PSPs to use the method that works best for them.

However, it remains the PSR’s view that a single system is core to the implementation of the reimbursement requirement over the medium-term. In late 2024, the PSR therefore intends to consult on proposals to require use of the RCMS and whether and when a shift to reporting standard B could take place.

What does this mean for you?

Business stakeholders will be considering the Policy Statement to consider the operational steps that need to be taken to comply with the mandatory reimbursement requirement ahead of **7 October 2024**.

Later in July 2024, the PSR will publish additional information to support directed PSPs to comply with the requirement in SD20 to take steps to notify consumers of their rights. Ahead of this, PSPs will be considering customer communications to ensure consumers are notified of their rights.

PSPs will also want to warn consumers they need to exercise caution and have proper regard to any warnings and/or intervention by their PSP before making payments (in consideration of the consumer standard of caution).

This publication is intended for general guidance and represents our understanding of the relevant law and practice as at July 2024. Specific advice should be sought for specific cases. For more information see our terms & conditions.