

The Rt. Hon. Nicky Morgan MP
Treasury Committee Chair
House of Commons Committee Office

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Canary Wharf
London
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3 April 2018

Dear Nicky,

Further to your letter of 19 February 2018 to John Griffith-Jones, this is our first quarterly update on work taking place to tackle authorised push payment (APP) scams, including the design of a contingent reimbursement model for victims of these scams.

We've published the outcome of our consultation on the development of a contingent reimbursement model. It outlines the steps we will take to facilitate the design and implementation of an industry code, which will set out the model's rules. We've also published the responses to our consultation on our website.

We have brought together industry and consumer group representatives to make up a dedicated steering group, which will take up the development of the industry code. We've appointed the former Payments Strategy Forum Chair, Ruth Evans, to chair this steering group to ensure it is sufficiently independent of the payment industry's interests. We will provide the group with oversight and support. Other relevant regulatory and government bodies will be observers in the group.

Ruth, in consultation with us, has now appointed the members of the steering group and has issued its terms of reference. I have attached the steering group's membership list and terms of reference for your information. The steering group's first meeting is confirmed to take place on 5 April 2018.

As set out in the terms of reference, the steering group has a clear programme of work and deliverables, and it will now start tackling the specific issues for the contingent reimbursement model in agreed order. We will be monitoring this work closely and subjecting any proposals to rigorous challenge, as I assured the Committee in my evidence to you on 20 February 2018.

We also note that UK Finance has released its second set of statistics on APP scams. These statistics show an increase in reported number of APP scams in the second half of 2017. This increase may reflect better reporting of APP scam cases, given the work done to improve how banks record APP scams and greater awareness by victims. Over time, these statistics will provide a valuable tool for monitoring the impact of scams and the effectiveness of measures to prevent and reduce their impact.

Yours sincerely,



Charles Randell
Chair

Payments Systems Regulator