

Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

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Richard Wagner
Chief Executive Officer
Cashplus
1 Cottons Centre
Cottons Lane
London SE1 2QG

20 September 2018

Dear Mr Wagner,

I am writing about the Cashplus service failure that occurred during week commencing 17 September, which left many of your customers without access to their accounts, or able to receive or make payments.

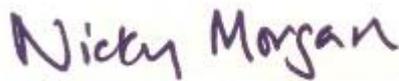
I would be grateful for a full description of the causes and consequences of the failure, by 5pm on Friday 28 September. This should include, but need not be limited to, answers to the following questions:

- When did Cashplus first become aware of the system failure; when were you personally informed of it; and when did you first inform the Financial Conduct Authority?
- For how long was Cashplus aware of the system failure before issuing its first public statement on the incident? What subsequent steps did you take to inform your customers about the incident and its impact on them?
- What services were unavailable, either wholly or partially, as a result of the failure, and for how many hours in each case?
- How many and what proportion of (a) business and (b) personal accounts were affected?
- In your assessment, has the risk of fraud to customers been raised as a result of this incident? If so, what have you done to highlight this risk to customers?
- Is Cashplus covered by the provisions of the Second Payment Services Directive in respect of unauthorised payments? If not, is it your policy to compensate fraud victims – including business customers – as if you were (that is, to refund unauthorised payments by the next business day)?

- What arrangements have you put in place to compensate customers who have lost out as a result of the failure? How, in particular, do you intend to deal with consequential loss claims from business customers?
- What was the average wait time on your UK Customer Services telephone line on each day from 17 to 20 September inclusive? What proportion of calls were abandoned or disconnected over the same period?
- What was the cause of the service failure? Are you completely confident that the causes have been addressed, and that your services are now working as they should?
- What controls were in place to mitigate against such a failure, and why did these controls fail to prevent the failure?
- What steps will you be taking to ensure such similar system failures do not happen again?
- What discussions have you had with the Financial Conduct Authority regarding the incident? Have the FCA appointed investigators, or indicated an intention to do so?

I will be placing this letter, and in due course your response, in the public domain.

Yours ever,

A handwritten signature in purple ink that reads "Nicky Morgan". The signature is written in a cursive, slightly slanted style.

Rt Hon. Nicky Morgan MP
Chair of the Treasury Committee