

Financial Services and Markets Bill

AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

Clause 68

LORD VAUX OF HARROWDEN

Page 84, line 27, leave out paragraph (a)

Member's explanatory statement

This amendment would remove the limitation that APP mandatory reimbursement is limited to APP scams made via the Faster Payments system, so that all APP scams must be covered regardless of payment system used.

Page 85, line 3, at end insert –

“(6A) In complying with the duty imposed by subsection (5) the Payment Systems Regulator must take into consideration the following matters –

- (a) how to ensure that the parameters used to determine whether or not reimbursement should be made are transparent and applied consistently;
- (b) whether the reimbursement liability should be met by the paying or the receiving payment service provider, or shared between them;
- (c) the extent to which mandatory reimbursement is likely to affect the behaviour of consumers to protect themselves against fraud;
- (d) how consumers can appeal against decisions made by payment service providers.”

Member's explanatory statement

This amendment aims to provide some guidance of matters that the PSR should take into account when designing a mandatory reimbursement scheme.

Page 85, line 9, at end insert –

“(8A) At least once every six months after the Payment Systems Regulator has imposed the requirement imposed by subsection (5), it must publish a report that sets out, for each payment service provider subject to the requirement –

- (a) the number and value of APP scams notified to them;

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- (b) the percentage by number and value of APP scams that have been reimbursed;
- (c) the percentage by number and value of APP scams appealed and the results of such appeals;
- (d) the percentage by number and value of APP scams that have been rejected;
- (e) the shortest, longest and average time from notification to decision about reimbursement.”

Member’s explanatory statement

This amendment aims to introduce transparency into the APP reimbursement process, to ensure that consumers can see whether the rules are being applied consistently, and which institutions are better and worse at reimbursing victims fairly and promptly.

Page 85, line 9, at end insert –

- “(8A) At least annually, the Payment Services Regulator must review and report on the impact of the requirement as imposed in accordance with subsection (5) and report on whether it believes the requirement –
- (a) has improved the protection of consumers,
 - (b) has caused any change to the behaviour of consumers in relation to APP fraud, or
 - (c) has caused any change to the behaviour of payment service providers,
- and make such changes to the requirement, or make such new requirements, as the Payments Services Regulator considers necessary to protect consumers from APP fraud, taking account of the impacts identified.”

Member’s explanatory statement

This amendment aims to introduce a review process to ensure that the impacts of the mandatory reimbursement scheme are as intended and to amend the requirement if unintended consequences are identified.

Page 85, leave out lines 18 to 22

Member’s explanatory statement

This amendment is consequential on the first amendment to Clause 68 in the name of Lord Vaux of Harrowden.

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17 January 2023
