



Nordic
Payments
Council

NPC CONFIRMATION OF PAYEE RULEBOOK PUBLIC CONSULTATION CHANGE RESULT

NPC055-01 / 2022 Version 1.0 / Date issued: 28 February 2023

Public



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NPC Confirmation of Payee 2022 Public Consultation Change Result

0.1 Change History

Issue number	Dated	Edited by	Reason for revision
1.0	2023-02-23	NPC	Document made by CoP WG based on changes after public consultation, input from LSG in February 2023 and decided by SMC on February 23 rd 2023.

1 Introduction and summary

The Nordic Payments Council (“NPC”) is responsible for the development and maintenance of the NPC Schemes. This is done according to the NPC Scheme Management Internal Rules.

To facilitate payment in the Nordics, NPC have the NPC Credit Transfer and the NPC Instant Credit Transfer Scheme Rulebooks published and in effect. The 2022 NPC Confirmation of Payee Rulebook is the first payment related Rulebook to be published by the NPC.

The aim of the Confirmation of Payee Rulebook is to enable confirmation of a Payee’s (payment recipient) payment details before making a payment. The rulebook will enable the Payer to confirm the correctness of the Payee’s account number in combination with the Payee’s name or identification number. This will contribute to a higher quality and more efficient payment process. It can also prevent both misdirected and fraudulent payments as well as reduce the number of rejected and returned payments. In the end, this will contribute to a better customer experience since the Payer will be able to ensure the correctness of the Payee’s payment details prior to making the payment.

Based on the Scheme, participants will be able to offer new and innovative services. The Scheme will be able to ensure interoperability and move towards open standards which are expected to improve financial integration and act as a catalyst for a richer set of products and services.

A proposal of the Rulebook (NPC050-01 version 0.9) was issued for public consultation on April 25th, 2022. An invitation to all identified stakeholders was sent out with a request to respond on the public consultation for the Rulebook before August 15th, 2022.

All comments have been analysed by the NPC Confirmation of Payee Working Group (“CoP WG”) and by the Scheme Management Committee (“SMC”). This document summarizes all the comments received and presents the result per comment.

This document contains for each comment:

- a) Comment title
- b) A description/summary of the comment;
- c) Type of comment (ge = general, te = technical, ed = editorial)
- d) The CoP WG analysis of the comment and recommendation to the SMC;
- e) The SMC decision, based on the CoP WF analysis and recommendation

As a result of the 2022 NCT Public Consultation process, the 2022 CoP Rulebook has been updated to include the changes presented in this document.

2 Overview of comments submitted for the CoP Rulebook 2022 Public Consultation

The All comments to the 2022 NPC Confirmation of Payee Rulebook have been reviewed by the NPC CoP WG and SMC.

This section lists the comments from all responders received by the NPC.

2.1 Possible recommendations for a comment

Each recommendation reflects one of the options detailed in points a) through f) below:

- a) The comment is **already provided for** in the Scheme: no action is necessary for the NPC
- b) The comment **should be incorporated into the Scheme**: the comment becomes part of the Scheme, and the Rulebook is amended accordingly
- c) The comment **should be included in the Scheme** as an **optional feature**:
 - The new feature is optional, and the Rulebook will be amended accordingly;
 - Each Scheme Participant may decide to offer the feature to its customers, or not.
- d) The comment is **not considered fit for Nordic-wide use and could be handled as an additional optional service (AOS)** by interested communities:
 - The proposed new feature is not included in the Rulebook, nor in the Implementation Guidelines released by the NPC related to the Rulebook;
 - The development of AOS is out of scope of the NPC. However, the NPC does publish declared AOS arrangements on the NPC Website for information purposes;
 - The NPC may consider the inclusion of AOS arrangements, if supported by a sufficient number of communities, in a future version of the Rulebook;
- e) The comment **cannot be part** of the Scheme:
 - It is technically impossible or otherwise not feasible (to be explained on a case by case basis);
 - It is out of scope of the Scheme;
 - It does not comply with the SEPA Regulation, or any other relevant EU, Nordic or Swedish legislation.
- f) The comment request may be considered for the development of a **new scheme**:
 - The comment reflects major changes which cannot be integrated into an existing scheme;
 - To develop the comment further, i.e. to develop a new scheme, the following requirements should be met;
 - The benefits of the new scheme for payment end users are demonstrated prior to the launch of the development phase;
 - It is demonstrated that a sufficient number of stakeholders will make use of the new scheme;

- A cost-benefit analysis is provided;
- It complies with the SEPA Regulation or any other relevant EU, Nordic, or Swedish legislation.

2.2 Summary of comments and results following the public consultation

The table below summarizes all comments and commenters. All comments have a detailed description, CoP WG analysis and recommendation and SMC decision in chapter 4.

Overview of the 2022 Public Consultation comments and the final SMC decision:

Item	Commenter	Type ¹	Comment title	SMC Decision
1	Swedish Bankers Association	ge	A definition/explanation about private Individuals	Option b
2	Swedbank	ge	Suggestion to have a connection to NCT & NCT Inst Rulebooks.	Option e
3	Danske Bank	ge	Clarify the geographical area is covered by the Scheme.	Option a
4	Danske Bank	ed	Suggestion to change wording for CAR to clarify the purpose of the request type.	Option b
5	Danske Bank	ed	Suggestion to change wording for CPR to clarify the purpose of the request type.	Option b
6	Danske Bank	ge	Suggestion to clarify purpose behind request combining id and account.	Option b
7	Mastercard	ge	Add a maximum end to end execution time for real-time requests and a turnaround time for bulk requests.	Option e
8	Mastercard	ge	Consider having an option to allow a Payer PSP to request confirmation from one Payee PSP for multiple payers, not just one (Value Added Service).	Option b
9	Mastercard	ge	Clarify description for how to provide true or false value in response DS-02 and DS-04.	Option a
10	Mastercard	ge	Add API specifications	Option a
11	Mastercard	ge	Provide more clarity on the indirect participants	Option e

¹ Type of comment: ge = general, te = technical, ed = editorial

Item	Commenter	Type ¹	Comment title	SMC Decision
12	Handelsbanken	ge/ed	Highlight "Single Request in real-time may only be sent to Payee PSPs adhering to Single Request in real-time and Bulk Request can only be sent to Payee PSPs adhering to Bulk Requests".	Option b
13	Surepay	ge	Voluntary adherence is good but a well functioning CoP ecosystem will only be realised when a large part of the market actually participates.	No change proposed
14	Surepay	ge	Lack of on-boarding of customer use-cases	Option e
15	Surepay	te	Bulk/batch checks shouldn't interfere with single (instant) checks.	Option e
16	Surepay	ge	More information about the algorithm should be included.	Option e
17	Surepay	ge/te	Suggestion to be more concrete on how to connect banks to each other.	Option e
18	Surepay	ge	Suggestion to add the "account holder type" field to the response specifications. It can either be ORG or NP.	Option e
19	Surepay	ge	If one of the goals of the solution is to breed consumer confidence we think a name suggestion is essential.	Option e
20	Surepay	ge	Provide banks with a list of best practices for mapping the response reason codes to a meaningful message in the front-end, helping customers make better informed decisions.	No decision needed
21	Surepay	ge	In the first phase, only Nordic ASPSP can be a direct participant of the scheme. Optionally you can make clear that in a later stage the scheme could be used by non-nordic ASPSP's and even by other commercial parties to further prevent cross border fraud, reduce payment friction and misdirected payments.	Option e
22	Surepay	ge	Possibility for cross border CoP requests outside the Nordics as a second step.	No proposed change
23	LSG	ge	Suggestion to add some wording due to legal reasons	Option b

3 Detailed analysis of major comments and SMC decision

This chapter details all comments with the CoP WG analysis and recommendation as well as the SMC decision.

3.1 #1 - A definition/explanation about private Individuals

This comment was made by the Swedish Bankers Association.

A definition/explanation about private Individuals and clarify whether Individual businessmen/individual company covered or not would be good to add. Because social security number are also used for this case.

From the Swedish community we think that The NPC Confirmation of Payee Scheme is very well written and good and we look forward to the next step.

Proposed change:

Add a definition.

3.1.1 CoP WG analysis and recommendation

Confirmation of Payee Working Group agrees to add a definition for private individual. Sole Trader will not be included in the definition since a Sole trader is not a private person in the context as we have described Private individual in Scheme. If a Sole trader uses the Scheme out of a business need, they must also be seen as a company.

The new definition for Private Individual will be: Private individual means an individual acting only for themselves and not representing any group, company or organisation.

3.1.2 SMC decision

Option b - The change should be incorporated into the Scheme: the Change Request becomes part of the Scheme and the Rulebook is amended accordingly

3.2 #2 - Suggestion to have a connection to NCT & NCT Inst Rulebooks

This comment was made by the Swedbank.

Swedbank think that this service is different from today, when everybody that are in these services need to answer. But in the CoP there is going to be dependent that every bank is connected to the services.

Proposed change:

Maybe we see that it should be some kind of dialog connected to the Rulebook for CT and CT Inst, when the bank is going in the new solution, more like it is today.

Swedbank has no more comments on the Rulebook.

3.2.1 CoP WG analysis and recommendation

The Confirmation of Payee WGs overall view is that Confirmation of Payee Scheme and related Confirmation of Payee Service need to be as attractive that all Nordic PSPs will adhere. Confirmation of Payee WG stays with the view that there should not be a connection to NPC payment schemes and that Confirmation of Payee request can be followed by any type of payment.

3.2.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestions is out of scope of the scheme.

3.3 #3 - Clarify the geographical area is covered by the Scheme.

This comment was made by Danske Bank.

To ensure that data is not processed/sent out of the EU/EEA area it should either be stated what geographical area is covered by the Scheme, alternatively there should be a clear reference to the EPC/NPC eligibility criteria.

Proposed change:

We will leave it to the Secretariat / Scheme working group to consider this in the scope description.

3.3.1 CoP WG analysis and recommendation

Confirmation of Payee WG see no need for any change in the Rulebook since it is clearly stated that all PSPs adhering to the Scheme need to follow both EU and local/national relevant laws.

3.3.2 SMC decision

Option a - The change is already provided for in the Scheme: no action is necessary for the NPC.

3.4 #4 - Suggestion to change wording for CAR to clarify the purpose of the request type.

This comment was made by Danske Bank.

Wording should be changed as the CAR essentially only ensures that the account is open for deposit and not the correctness, i.e. if there is no name check there is no insurance that the account is correct (in relation to match with Payee), but it will be checked if it is open for deposits – checking for this will also validate if account actually exists.

Proposed change:

Suggestion to new wording: “The request type CAR is to be used when the purpose is to check the reachability of a Payment Account.”

3.4.1 CoP WG analysis and recommendation

Confirmation of Payee WG agree to change the wording to better clarify the CAR. WG suggest the following wording to be added in section 3.2.2 in the Rulebook: The CAR request does not cover verification of the Payee’s name or Organisation id.

3.4.2 SMC decision

Option b - The change should be incorporated into the Scheme: the Change Request becomes part of the Scheme and the Rulebook is amended accordingly.

3.5 #5 - Suggestion to change wording for CPR to clarify the purpose of the request type.

This comment was made by Danske Bank.

First sentence should be made clearer as we believe it is somewhat repeating itself. Correctness of payment account is essentially embedded in the verification of the account being open for deposits.

Proposed change:

Suggestion to new wording: “The request type CPR is used when confirming that the Payee’s account is open for deposits and confirming that Payee name or Payee ID matches the specific Payment Account.”

3.5.1 CoP WG analysis and recommendation

Confirmation of Payee WG agrees that a new wording is needed for clarification. The WG recommends the following wording to be added in section 3.2.3 in the Rulebook: A Private individual is not allowed to make a request matching a Payment account and a Payee id, only Payment account and Payee name in combination.

3.5.2 SMC decision

Option b - The change should be incorporated into the Scheme: the Change Request becomes part of the Scheme and the Rulebook is amended accordingly.

3.6 #6 - Suggestion to clarify purpose behind request combining id and account.

This comment was made by Danske Bank.

It is stated that “Use of id for matching is not available for private individuals”. In our view this formulation is not specific enough and may cause room for different interpretations given the variety of company constructions allowed in the various Nordic countries and “sole traders” etc. Further, does this wording limit private individuals to make a CPR check using the ID (company registration number) on a corporate payee?

Proposed change:

NPC needs to be more specific on the actual purpose behind the request combining ID and Account, as the ID, cf. definitions, also encompass company identification numbers, which are not as protected as personal identification numbers in some of the Nordic countries.

NPC also needs to be more specific on the term “private individuals”.

3.6.1 CoP WG analysis and recommendation

Confirmation of Payee WG recommends adding a definition for Private Individual (see comment #1) and a new wording added in section 3.2.3 (see comment #5).

3.6.2 SMC decision

Option b - The change should be incorporated into the Scheme: the Change Request becomes part of the Scheme and the Rulebook is amended accordingly. See comment #1 and #5.

3.7 #7 - Add a maximum end to end execution time for real-time requests and a turnaround time for bulk requests.

This comment was made by Mastercard.

3.3.5 says that the scheme does not regulate maximum execution time for real time messages. They will be agreed between PSPs and the infrastructure providers. Could this lead to different timing arrangements and an inconsistent user experience?

Proposed change:

Add a maximum end to end execution time (similar to instant payments) where the actors determine how to meet the scheme specified maximum time.

Consider also adding a turnaround time for Bulk Requests?

3.7.1 CoP WG analysis and recommendation

Confirmation of Payee WG do not see a need to change anything for maximum time, this should not be specified in the Rulebook. It should be part of the solution provided by an Infrastructure Provider and are therefore not recommending any change in the Rulebook at this point in time.

3.7.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestion is out of scope of the scheme.

3.8 #8 - Consider having an option to allow a Payer PSP to request confirmation from one Payee PSP for multiple payers, not just one (Value Added Service).

This comment was made by Mastercard.

A Bulk Request relates to one Payer who wishes to confirm more than one Payment Account by one or more Payee PSPs. A Bulk confirmation relates to one Payer who wishes to confirm more than one Payee account in combination with the name or Identification Code by one or more Payee PSPs.

Proposed change:

Consider having an option to allow a Payer PSP to request confirmation from one Payee PSP for multiple payers, not just one (Value Added Service).

3.8.1 CoP WG analysis and recommendation

Confirmation of Payee WG agree that smaller changes are needed and recommends the following new text in DS-01 and DS-03.

Wording under technical characteristics in DS-01:

From a business perspective, Confirmation of Account Requests may be executed as Single or Bulk Requests. A Single Request relates one Payer who wishes to confirm one Payment Account by one Payee's PSP. A Bulk Request relates to one Payer who wishes to confirm more than one Payment Account by one or several Payees' PSPs.

Wording under technical characteristics in DS-03:

From a business perspective, Confirmation of Payee Request instructions may be initiated as single or bulk confirmations. A single confirmation relates one Payer who wishes to confirm one Payee account in combination with the name or Identification Code by one Payee's PSP. A Bulk confirmation relates to one Payer who wishes to confirm more than one Payee account in combination with the name or Identification Code by one or several Payees' PSPs.

3.8.2 SMC decision

Option b - The change should be incorporated into the Scheme: the Change Request becomes part of the Scheme and the Rulebook is amended accordingly.

3.9 #9 - Clarify description for how to provide true or false value in response DS-02 and DS-04.

This comment was made by Mastercard.

The responses DS-04 and DS-02 are both described as having a true or false response. There does not seem to be an element that actually contained true or false. So, we assume the absence of a 95 or 96 = true, the presence of 95 or 96 = false? If this is not the case, we suggest making this clear in the description.

Proposed change:

Improve description.

3.9.1 CoP WG analysis and recommendation

Confirmation of Payee WG agree this is already provided for in the Implementation Guideline through element Report/Verification in DS-01 and DS-03.

3.9.2 SMC decision

Option a - The change is already provided for in the Scheme: no action is necessary for the NPC.

3.10 #10 - Add API specifications

This comment was made by Mastercard.

The scheme is specified as being message based. For this type of service should APIs be an alternative? And in that case, will APIs as well as messages be included in the implementation guide?

Proposed change:

Add API specifications

3.10.1 CoP WG analysis and recommendation

Confirmation of Payee WG agree that this is already taken care of through the developed API examples document that will be published together with the Rulebook and Implementation Guidelines.

3.10.2 SMC decision

Option a - The change is already provided for in the Scheme: no action is necessary for the NPC.

3.11 #11 - Provide more clarity on the indirect participants

This comment was made by Mastercard.

Provide more clarity on the indirect participants aspect.

Proposed change:

Add a paragraph to define where indirect participants would fit in re timelines etc.

3.11.1 CoP WG analysis and recommendation

Indirect participants are out of scope for Confirmation of Payee Rulebook. A PSP can only adhere to the scheme as a Participant according to the eligibility criteria in section 4.4 in the Rulebook. Any Indirect participant agreement must be between the PSP and the Indirect participant, see section 2.1 where Intermediary PSPs are described. The CoP WG do not recommend any change in the Rulebook for Indirect participation to the Scheme.

3.11.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestion is out of scope of the scheme.

3.12 #12 - Highlight “Single Request in real-time may only be sent to Payee PSPs adhering to Single Request in real-time and Bulk Request can only be sent to Payee PSPs adhering to Bulk Requests”.

This comment was made by Handelsbanken.

What is in brackets under bullet point 9 “Single Request in real time may only be sent to Payee PSPs adhering to Single Request in real-time and Bulk Request can only be sent to Payee PSPs adhering to Bulk Requests”.

Proposed change:

Highlight “Single Request in real-time may only be sent to Payee PSPs adhering to Single Request in real-time and Bulk Request can only be sent to Payee PSPs adhering to Bulk Requests” also earlier in the rulebook, e.g., under headline 1” Vision, Objectives & Scope of the Scheme”. The change gives a better understanding and clarification of the rulebook.

3.12.1 CoP WG analysis and recommendation

Confirmation of Payee WG agrees that the wording can be clarified and recommend the following wording to be added in the end of section 1.1:

Single Request in real-time may only be sent to Payee PSPs adhering to Single Request in real-time and Bulk Request can only be sent to Payee PSPs adhering to Bulk Requests.

3.12.2 SMC decision

Option b - The change should be incorporated into the Scheme: the Change Request becomes part of the Scheme and the Rulebook is amended accordingly.

3.13 #13 - Voluntary adherence is good but a well-functioning CoP ecosystem will only be realised when a large part of the market actually participates.

This comment was made by Surepay.

Adherence to the Rulebook is voluntary. We think this is a good strategy, but a well-functioning CoP ecosystem will only be realised when a large part of the market actually participates (at least as a responder) or fraudsters will move to using bank accounts held at non-participating parties. Bank clients will drive this change and will ask for their bank to perform checks when the solution provides trust and added value for them, we've seen this happening in the UK as well as NL.

Proposed change:

No change required.

3.13.1 CoP WG analysis and recommendation

The Confirmation of Payee WGs overall view is that Confirmation of Payee Scheme and related Confirmation of Payee Service need to be as attractive that all Nordic PSPs will adhere. Confirmation of Payee WG stays with the view that there should not be a connection to NPC payment schemes and that Confirmation of Payee request can be followed by any type of payment.

3.13.2 SMC decision

No change proposed.

3.14 #14 - Lack of on-boarding of customer use-cases

This comment was made by Surepay.

Only payment use cases are mentioned. Please note that also corporations will use this check for payments as well as onboarding/fraud prevention cases. It's a use case that can get more banks "on board" as it allows them to monetize the product with their own corporate clients.

Proposed change:

We advise you to add onboarding and fraud prevention to the list. Onboarding entails for example checking a customer during the KYC process and fraud prevention might be a corporate who wants to check her suppliers every year in a bulk check.

3.14.1 CoP WG analysis and recommendation

Confirmation of Payee WG do not see a need for additional use-cases to be described and see that all relevant use-cases are included for now. The purpose of Confirmation of Payee is to be a pre-step to making a Payment, it is not an Information service. The Rulebook does not limit the possibility to use CoP when onboarding a customer as long as the purpose with the onboarding is to make a payment later on.

3.14.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestion is out of scope of the scheme.

3.15 #15 - Bulk/batch checks shouldn't interfere with single (instant) checks.

This comment was made by Surepay.

Bulk/batch checks shouldn't interfere with single (instant) checks. When a lot of large bulk files are checked at once this might lead to problems with the single checks, resulting in longer response times or time outs.

Proposed change:

It makes sense to process real time single checks with a higher priority than bulk checks. So, the response times for real time checks are not impacted by processing large bulk files. Perhaps add the prioritisation of singles above bulk in the rulebook.

3.15.1 CoP WG analysis and recommendation

Confirmation of Payee WG agree that this is out of scope of the Rulebook and part of technical implementation. The WG do not suggested any changes in the Rulebook or Implementation Guidelines for this suggestion for now.

3.15.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestion is out of scope of the scheme.

3.16 #16 - More information about the algorithm should be included.

This comment was made by Surepay.

There is a mention on this page about the agreed algorithm providing a result of the Confirmation of Payee. This is the first and only place an algorithm is mentioned. Between whom is the algorithm agreed? It implies that there will be a decision to use a specific algorithm, is that correct? Or is it agreed as long as the prescriptive rules are followed?

Even when there are prescriptive rules, we have seen that the quality of the algorithm can vary a lot. We have compared our own algorithm with some in-house algorithms in the UK and some concerning findings were:

Some UK banks/vendors have too many close matches where one would prefer a no match. Without a name suggestion the customer will have no clue whether to initiate the payment. When the customer decides to initiate this close match anyway, there is a higher risk of fraud.

Some UK banks/vendors have too many no matches where one would prefer a close match or full match. This results in consumers ignoring the “no match” which causes them to distrust the solution and push through the payment when it’s actually a fraudulent payment. One bank has a 77% rate of false no matches even though it claims to be compliant with the prescriptive rules.

Proposed change:

More information about the algorithm should be included, at least the quality standards that are to be followed to ensure a consistent and reliable and easy to understand customer experience. How will you incentivise banks/vendors to continuously improve on the algorithm and solve occurring edge-cases? Like matching on trading names, nicknames, joint accounts, double marital last names, Initials, abbreviations, synonyms, salutations, acronyms, etc.

3.16.1 CoP WG analysis and recommendation

Confirmation of Payee Scheme give possibilities for different implementations (centralised or decentralised). Confirmation of Payee WG agree that there is no need for any additional information about an algorithm in the scheme, it is up to the infrastructure provider or PSPs to solve the matching and have a solution for this. It is though, important that the implementation isn't made in fragmented way and the WG see that such algorithm is important for a successful implementation of a Confirmation of Payee service based on the Scheme.

3.16.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestion is out of scope of the scheme.

3.17 #17 - Suggestion to be more concrete on how to connect banks to each other.

This comment was made by Surepay.

The sentence that there are several ways to send and receive requests and responses should be more concrete, we would advise to at least determine one way of working across all participants in order to not increase implementation costs and complexity.

It is vital that all participants are able to communicate with each other. In 4.6 it's mentioned that the NPC shall maintain an up-to-date list of participants. Currently it's unclear how the connection/routing between participants will be governed. And if participants should act or what participants should do when a new participant enters the list. Basically, two options are possible: a centralised routing model: there is one operator that every participant connects to and who connects all participants to each other, or decentralised routing: every party needs to connect to each other. The latter means work for every participant when a new participant joins.

Proposed change:

It could help to be more concrete on how to connect banks to each other, more than that there are several ways. We would gladly support this decision-making process.

Leaving it completely up to the market will increase the risk of a sub optimal solution. Resulting in higher costs and more work for the participants as well as an unclear and inconsistent customer journey for banks' customers.

We would advise making a choice or offer a proposal with two or more choices to the participants to make a decision and include that in the rulebook and implementation guidelines. Not making a choice will result in a decentralised model where a list of participants and their reachability should be maintained so participants know how to connect to each other.

3.17.1 CoP WG analysis and recommendation

Confirmation of Payee WG do not recommend any change in section 4.3 or 4.6. There could be several infrastructure providers that handles reachability in different ways. NPC will publish a list with Scheme participants on NPC's website that will be updated and available at all times.

3.17.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestion is out of scope of the scheme.

3.18 #18 - Suggestion to add the “account holder type” field to the response specifications. It can either be ORG or NP.

This comment was made by Surepay.

How do you govern the quality of implementations

We see it as essential for a good COP Check to know whether the account holder is an organisation or a natural person. Often fraudsters will use a Natural Person owned bank account to commit fraud pretending to be an organisation. In the No-match Natural Person scenario the consumer will see that the account and name are not matching, and that they are trying to transfer funds to a Natural Person. This will increase the chance that the consumer will halt the payment and prevent fraud from happening.

Example:

Beneficiary account number (IBAN)

NL81 RABO 0182 7832 04

Caution!

This account belongs to a **person** and is not registered to Amsterdam Food Company.

Knowing whether the account is owned by a Natural Person or an Organisation also allows a name suggestion on the close match + no match scenario for organisations. This is because organisation names are public information.

Proposed change:

We suggest adding the “account holder type” field to the response specifications. It can either be ORG or NP.

3.18.1 CoP WG analysis and recommendation

Confirmation of Payee WG do not recommend any change in the Rulebook version 1.0. It is an interesting suggestion, but such change need to be analysed in a legal context. To be investigated for next version of the Rulebook.

3.18.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestion is out of scope of the scheme.

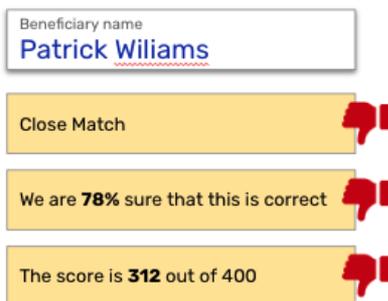
3.19 #19 - If one of the goals of the solution is to breed consumer confidence we think a name suggestion is essential.

This comment was made by Surepay.

If one of the goals of the solution is to breed consumer confidence, we think a name suggestion is essential.

In the Netherlands it's implemented for close match scenarios on natural persons and close match + no match scenarios for organisations.

A lot of typos are made while setting up a payment, would you transfer money in one of the below scenarios?



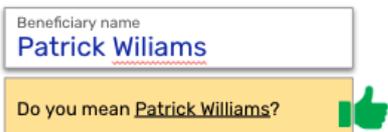
Beneficiary name
Patrick Williams

Close Match 

We are **78%** sure that this is correct 

The score is **312** out of 400 

And in the scenario below?



Beneficiary name
Patrick Williams

Do you mean **Patrick Williams?** 

An algorithm with built-in privacy by design only exposes information the payer already knows. Therefore, it's legally possible to expose a name suggestion for Natural Persons, as well as Organisations.

However, with a badly functioning in-house algorithm a name suggestion is a risk of exposing privacy sensitive data.

Proposed change:

As discussed, we can help with answering legal questions and give a demo around the implications of exposing the name suggestion.

Perhaps already add the name suggestion for organisation owned accounts to the rulebook? Because for these the legal implications should be less strict. With this in place it's possible to add the name suggestion for Natural Persons later when there is trust established in the algorithm(s).

3.19.1 CoP WG analysis and recommendation

Confirmation of Payee WG understands the importance of the suggestion and have been discussing this during the development of the scheme. It was decided to not include this possibility to add a name suggestion in the response message in the first version of the Scheme due to legal limitations in Bank secrecy law. To be investigated for next version of the Rulebook.

The NPC Confirmation of Payee scheme is one of several similar European initiatives. In order to reap the full benefits of such services in a European context, the NPC is anticipating the upcoming EU

proposal on instant payments that aims to promote the wider use of instant payments. This could include measures to enhance consumer confidence in instant payments' security in case of errors and fraud. The Commission has explicitly stated that Member States' experience, such as the IBAN name check system operated by payment service providers in the Netherlands, are relevant, as these could help in reducing incorrect payments resulting from errors and fraud.

3.19.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestion is out of scope of the scheme.

3.20 #20 - Provide banks with a list of best practices for mapping the response reason codes to a meaningful message in the front-end, helping customers make better informed decisions.

This comment was made by Surepay.

Implementation guidelines: When new banks connect to the SurePay API, we provide them with a list of best practices on how to display the front-end messages in all the different scenarios.

This reduces implementation complexity (UX choices) and improves customer experience and consistency.

We could not find such a list in the rulebook or implementation guidelines.

Proposed change:

Provide banks with a list of best practices for mapping the response reason codes to a meaningful message in the front-end, helping customers make better informed decisions.

We can provide such a list if you would require it.

3.20.1 CoP WG analysis and recommendation

CoP are investigating if this can be part of a Clarification paper. Such Clarification paper can be developed after decision in SMC to have the CoP Scheme published.

3.20.2 SMC decision

No decision needed

3.21 #21 - In the first phase, only Nordic ASPSP can be a direct participant of the scheme.

This comment was made by Surepay.

Optionally you can make clear that in a later stage the scheme could be used by non-nordic ASPSP's and even by other commercial parties to further prevent cross border fraud, reduce payment friction and misdirected payments.

This comment was made by Surepay.

The Rulebook makes it clear that to be eligible as a participant for the CoP Nordics participants should be an Account Servicing Payment Service Provider, active in Denmark, Greenland, Faroe Islands, Finland, Norway or Sweden;

Proposed change:

In the first phase, only Nordic ASPSP can be a direct participant of the scheme.

Optionally you can make clear that in a later stage the scheme could be used by non-nordic ASPSP's and even by other commercial parties to further prevent cross border fraud, reduce payment friction and misdirected payments.

Providing this option allows for future connectivity, requesting & responding with other banks & schemes like Swift BAV. For additional information regarding cross border, see below general remark.

3.21.1 CoP WG analysis and recommendation

Confirmation of Payee WG agree that this can be investigated for future versions of the Scheme. Not relevant for the first version and need legal investigation.

3.21.2 SMC decision

Option e - The change request cannot be part of the existing scheme, the suggestion is out of scope of the scheme.

3.22 #22 - Possibility for cross border CoP requests outside the Nordics as a second step.

This comment was made by Surepay.

Cross border: In all countries where we implemented CoP we saw that the first step of evolving CoP is adding cross border functionality, meaning to also check payments made to countries outside the domestic (in this case Nordic) scheme. This is a logical step, but also a difficult step which could be made easier when thought of while implementing the domestic solution. The choice of a vendor/solution that offers these capabilities is one, but the legal implications are also not to be overlooked. Next to performing checks on other countries, do the Nordic Banks allow to be checked from other countries and provide a confirmation of payee? Providing Cross border checks heavily depends on the principle of reciprocity between countries and banks, so this deserves attention.

Proposed change:

No change required at this point in time.

3.22.1 CoP WG analysis and recommendation

Confirmation of Payee WG agrees that interoperability between Infrastructure providers is a prerequisite for participants to be able to fully use Confirmation of Payee as a Nordic Scheme. This can be done step by step to start with since this is new functionality for the Nordics. Participants that adhere to Confirmation of Payee Rulebook will choose an Infrastructure Provider that on behalf of the Participants need to apply to the Confirmation of Payee Scheme Rules.

3.22.2 SMC decision

No proposed change.

3.23 #23 Suggestion to add some wording due to legal reasons

This comment was made by NPC Legal Support Group (LSG)

Based on input from Setterwalls, NPC's legal counsel, NPC Legal Support Group suggest some additional wording to the CoP Rulebook.

Due to legal reasons, it is suggested to add some wording describes below:

- Addition of 'Payer Intermediaries' under section 2.1
- Rewording of the two last paragraphs under section 2.2
- Addition of a new paragraph in the end of section 4.3
- Rewording of first bullet point and addition of a new second bullet point in section 4.7
- Rewording of definition for Customer in section 6
- Addition of a definition of 'Payer Intermediaries' in section 6

3.23.1 CoP WG analysis and recommendation

CoP WG agree with the new additional wording.

3.23.2 SMC decision

Option b – The change should be incorporated into the Scheme: the Change Request becomes part of the Scheme and the Rulebook will be amended accordingly.