



Faster Payment Service

Customer Proposition Principles

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## Document History

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## Contents

1	INTRODUCTION AND BACKGROUND .....	1
2	PARTICIPATION .....	2
3	PAYMENT TYPES .....	3
4	COMMON ELEMENTS.....	5
5	SINGLE IMMEDIATE PAYMENTS .....	12
6	FORWARD DATED PAYMENTS.....	14
7	STANDING ORDERS.....	16
8	AGENCY PROPOSITION AND FILE INPUT .....	18
9	CORPORATE PROPOSITION – DIRECT CORPORATE ACCESS .....	21

## **1 INTRODUCTION AND BACKGROUND**

- 1.1 This document is a summary of the primary features of the Faster Payments Service (FPS) proposition as perceived by the industry, from the perspective of a customer of the service. This summary does not define the Scheme Rules, processes or infrastructures that deliver FPS. Each Member's customer proposition will be different, since many features will be competitive, but a common core to the customer proposition is necessary for the service to be offered at all. The common core proposition avoids mandating features or imposing constraints that are properly in the competitive space.
- 1.2 This paper is based on the customer proposition signed off in August 2006, on which the detailed Scheme documents (Functional Specifications, Scheme Rules, Procedures, etc.) have been based. The amendments made since then reflect the evolving nature of the Faster Payment Service, and to ensure that the Customer Proposition continues to reflect the usage of the service.
- 1.3 This is not a formal controlling specification for FPS. Where there is a discrepancy between this Customer Proposition and any of the formal FPS controlling specifications (particularly the FPS Scheme Rules and Procedures), the controlling specifications take precedence. The terminology used is aimed at a general banking audience rather than FPS specialists; and is to aid comprehension of the service and what that should mean to end users.
- 1.4 The proposition describes the participation in the FPS Scheme, types of payments supported, common features for all types of payments, and features specific to each type of payment.

## 2 PARTICIPATION

- 2.1 Faster Payments Scheme Members are Payment Service Providers ('PSPs') which have Reserves Accounts at the Bank of England suitable for the settlement of FPS payments. All Members connect directly to the FPS Central Infrastructure ('FPS CI'). Detailed Membership criteria are defined on the FPSL website <http://www.fasterpayments.org.uk/membership/access-options/direct-membership/eligibility-criteria>
- 2.2 Faster Payments Members may sponsor Direct Agencies, Bureaux, Corporates and File Input Module (FIM) only Agencies.
- 2.3 A Direct Agency is a financial institution which connects directly to the FPS CI but does not settle payments at the Bank of England. A Direct Agency is sponsored by a Member, who authorises all debits and credits to and from Direct Agencies in near real time. A Direct Agency that is wholly owned by a Member may also sponsor Indirect Agencies, Corporates and Bureaux'
- 2.4 Faster Payments Services may be offered by full Members of the Scheme, and by Direct Agencies. Indirect Agencies can use the term Faster Payments, provided that they are able to meet the standards outlined in this Customer Proposition. Obligations on Members defined in this proposition apply equally to Direct Agencies and Indirect Agencies, unless otherwise explicitly stated.
- 2.5 An Indirect Agency, such as a Payment Services Provider (PSP), sends and receives messages via a Member on its own behalf or on behalf of its customers. Indirect Agencies are not directly connected to the FPS CI for sending or receiving payments.
- 2.6 FIM-Only Agencies are other PSPs that are able to only send files of payments, formatted as ISO8583 messages, to the FPS CI, but are not otherwise directly connected to the FPS CI for sending or receiving individual payments. FIM-Only Agencies are customers of a Member or a Direct Agency.
- 2.7 A Third Party Beneficiary is an organisation such as a credit card company or utility company that has a collection account with a Member. It is identified by one or more sort code(s) unique to the Third Party Beneficiary. Third Party Beneficiaries are directly connected to the FPS CI and must operate a 24\*7 service for payment receipt. Third Party Beneficiaries are customers of Members. Different sort-codes in the name of the same Third Party Beneficiary can be sponsored by different Members.
- 2.8 DCA (Direct Corporate Access) Users and Bureaux are customers of a Member or a Direct Agency which sponsors them to have direct access to Faster Payments for sending payments. No facilities are provided for Corporates to receive payments directly from Faster Payments. The Corporates' Sponsoring Member (and Direct Agency where appropriate) authorises each file of payments from that Corporate. Each file contains payments drawn on a single account. Corporates submit payments in Standard 18 format; the DCA module translates them into a Faster Payments Scheme-specific format of ISO 8583.
- 2.9 Further information on the Direct Agency Proposition can be found in Section 8.
- 2.10 Further information on the DCA User Proposition can be found in Section 9.

### **3 PAYMENT TYPES**

- 3.1 FPS supports several types of customer payments.
- 3.2 Single Immediate Payments ('SIPs') are used primarily for 'attended' payments initiated by customers using channels such as Internet, mobile or telephone banking, where the customer wants the payment to be effected immediately. The customer must have information from the Payee Member (via the Paying Member) regarding the fate of the payment made available in near-real-time from the time of payment submission. SIPs are processed synchronously through the FPS CI.
- 3.3 Forward Dated Payments ('FDPs') are payments set up by a customer for execution at a later time or date. They include 'timed' payments for the same day where the customer is not in attendance at the time the payment is made, or where the customer, typically a business customer, has delivered their instructions by file. FDPs include one-off payments where the customer is not expecting to have information from the Payee Member made available regarding the fate of the payment. There are two processing steps for an FDP – set-up and execution. Any FDP transactions must be warehoused at the Payer Bank – FPS has no warehousing facility. The payment is not submitted to the FPS CI until the date or time at which the payment is to be made. FDPs are processed asynchronously through the FPS CI.
- 3.4 Standing Order Payments ('SOPs') are instructions from a customer to their bank or building society to make regular automated payments of a specified amount to a named beneficiary. The term is also used to refer to the individual payments arising from the instruction. The payments are not submitted to the FPS CI until the date on which the payment is to be made. SOPs are currently sent Monday to Friday, excluding Public Holidays. If the payment date falls on a weekend/Public Holiday, it is held back by the sending bank until the next Working Day. Sending Members are required to process at least 90% of their SOPs between midnight and 06.00. SOPs are processed asynchronously through the FPS CI. Consideration will be given in the future as to whether weekend/Public Holiday processing should be adopted for SOPs. SOPs are processed asynchronously through the FPS CI.
- 3.5 DCA (Direct Corporate Access) Payments are payments initiated in files by corporates that are sent to the FPS CI using Secure-IP (the FPS variant of Bacstel-IP), and the DCA Module at VocaLink. DCA payments are processed asynchronously through the FPS CI.
- 3.6 Return Payments are payments sent by Members or Direct Agencies to return funds for payments that had been accepted previously, but cannot be credited to an account or where the beneficiary has asked its' bank to return the money. Return payments are processed asynchronously through the FPS CI.
- 3.7 Scheme Return Payments are payments generated and sent by the FPS CI on behalf of Members or Direct Agencies to return funds for asynchronous payments (FDP, SOP or DCA) they received but rejected, the FPS CI having previously informed the Paying Member that the payments had been accepted. Members and Direct Agencies cannot themselves directly send Scheme Return Payments. Scheme Return payments are processed asynchronously through the FPS CI.

- 3.8 Faster Payments, typically SIPs, can be flagged by the Sending Member with particular sub-type codes that trigger specific actions by the Receiving Member. For example, 'Paym' initiated payments are flagged as such, with the Receiving Member ensuring that for these payments, certain data fields are not revealed to the receiving customers. This also gives the Receiver an ability to provide a form of payment receipt notification to the beneficiary if they wish to. Other subtypes for other innovative overlay services are expected to develop over time.

## 4 COMMON ELEMENTS

4.1 Elements of the proposition that are common to all payments and delivery mechanisms are shown in the table below.

Feature of proposition	Detail
Availability of funds to Beneficiary Customer	<p>For each payment received, a Payee Member must respond with one of the following:</p> <ul style="list-style-type: none"> <li>• Unqualified acceptance</li> <li>• Qualified acceptance, with a Qualifier Code</li> <li>• Rejection with a Rejection Code.</li> </ul> <p>Unqualified acceptance indicates that funds will be available to the Beneficiary Customer within the Availability Window. This is specified in the FPS Procedures, and is currently up to 2 hours, but will be subject to review periodically, and is an upper limit, not a target time. There is a customer expectation that such payments are credited and the funds made available immediately on receipt.</p> <p>Qualified acceptance indicates that although the payment has passed initial error checking (see 'Payee Member Error checking' below), the funds may not be available to the Beneficiary Customer within the Availability Window. The Scheme allows a number of Qualifier Codes, providing a greater degree of granularity to the qualification. They can specify that funds will be made available:</p> <ul style="list-style-type: none"> <li>• on the same day</li> <li>• on the next calendar day</li> <li>• on the next Working Day</li> <li>• at an unspecified time and date within PSD guidelines</li> <li>• after the next Working Day within PSD guidelines</li> </ul> <p>There are restrictions as to the proportion of payments that can be given a Qualified Acceptance.</p> <p>For payments to Third Party Beneficiaries, no qualification is supported.</p>

## FPS Customer Proposition

Feature of proposition	Detail
Availability to receive payments	Members, Direct Agencies and Third Party Beneficiaries must be available to receive and respond to all types of payments 24*7 without exclusions. In the event of system maintenance or an incident affecting normal processing or planned systems maintenance, stand-in processing should be employed, to allow other Participants to still be able to send to the stricken party. In such circumstances, the afflicted Participant should respond where appropriate with a Qualified Acceptance response. Members, Direct Agencies and Third Party Beneficiaries should schedule any planned systems maintenance activity at times where payment volumes are likely to be minimal, to minimise the impact on service users.
Bank Error Recovery	It is possible that an FPS Institution may send a large number of payments in error. If so, the Member may choose to make use of FPS Procedures to send a Bank Error Recovery file to the Members that received the payments in error.
Beneficiary actions, e.g. a card issuer or utility posting to their customers' accounts	<p>For beneficiaries that are not 'Third Party Beneficiaries' this is a competitive matter for the beneficiary, and is not part of the customer proposition supported by Members.</p> <p>Third Party Beneficiaries must accept or reject each payment in Real Time and make the funds available to their customer within the Availability Window.</p>
Beneficiary customer's account details.	The Payer Customer must quote the Beneficiary Customer's sort code and account number for all payments, unless the Payer Customer is using an Overlay Service (such as Paym), where they provide a proxy for the Beneficiary Customer's account details to their Bank. In such cases the Payer Bank will derive the account details needed to initiate a Faster Payment and include these in the Faster Payment.



## FPS Customer Proposition

Feature of proposition	Detail
Beneficiary Customer Statements	<p>Details of the credit to the Beneficiary Customer's account will be applied to the account statement. Minimum details must include the date of posting, amount and the 18-character reference for the beneficiary (if supplied).</p> <p>The provision of additional information (e.g. extended reference or remittance data and currency conversion information if provided), delivery method and timing are competitive. Where information is provided electronically additional information may be included.</p> <p>Where additional customer information is included, the Receiving Member must be able to provide it to their customer either proactively or on request.</p> <p>In certain circumstances (e.g. balance transfers arising from the Current Account Switch Service or payments initiated via Paym) these fields may be used in a structured way to deliver information to the Receiving Bank/Receiving Customer.</p>
Beneficiary Name Look-Up	<p>The current FPS proposition relies on customers checking carefully that they have the correct sort code and account number prior to payment submission. Even a small proportion of payments entered incorrectly can result in a significant number of misdirected payments. The Paym overlay service, with its account name validation step may be made available, not just for mobile apps but internet banking, and promoted as an improved way of making person to person payments. PSPs need to consider what levels of channel limits should apply to these payments if initiated via internet banking vs those payments routed traditionally as there is no obvious increased fraud risk.</p>
Brand	<p>Competitive; FPSL owns the trademark to "Faster Payments", and allows it's Members and Direct Agencies to use it, provided the payments made are consistent with this Customer Proposition. For any other party, such as Indirect Agencies, then "Faster Payments" can only be used if the Indirect Agency's customer proposition is consistent with this Customer Proposition. A formal licensing process is being planned.</p>
Credit Payment Recovery	<p>The Credit Payment Recovery process may be used to recover payments sent to the wrong account due to customer error or bank error.</p>
Currency	<p>£ Sterling only</p>

## FPS Customer Proposition

Feature of proposition	Detail
Daily limits	<p>Members and Direct Agencies have the ability to set daily, cumulative limits for each customer, taking into account their risk appetite for customer segments and channels (see “Threshold for individual payments”). These limits are managed by Members/Direct Agencies, not by FPS</p> <p>Neither the FPS CI nor FPS Scheme Rules impose daily limits.</p>
Fraud Detection	<p>The Scheme does not mandate fraud checking. The responsibility for detecting and preventing fraud is with the Paying Member, however both Paying and Payee Members should check for fraud (and suspicious activity such as money laundering). At all times, Members, Direct Agencies and Indirect Agencies should follow the prevailing legislative requirements regarding AML and KYC.</p> <p>Where Payments Originating Overseas are processed, the Paying and Payee Members should also conduct Sanctions checking.</p>
Information included with payment	<p>Each payment can include a reference of up to 18-characters for the Payee Member or Beneficiary Customer. This can be used to provide additional forms of account identification for the end customer, such as building society roll numbers, credit card numbers, etc.</p> <p>Additional customer information that can be included with each payment may vary by Member, on a competitive basis, including:</p> <ul style="list-style-type: none"> <li>• 31 character reference for Payer Customer</li> <li>• 140 characters of remittance information.</li> </ul> <p>Where such additional customer information is included, the Receiving Member must be able to provide it to their customer either proactively or on request.</p> <p>In certain circumstances (e.g. balance transfers arising from Current Account Switching or for Paym transactions) these fields may be used in a structured way to deliver information to the Receiving Bank/Receiving Customer.</p> <p>Requirements regarding Payment Information may evolve as the “Richer Data” project, led by Payments Council, identifies opportunities in this area.</p>

## FPS Customer Proposition

Feature of proposition	Detail
Notification of receipt to beneficiary	<p>Notifications will appear in funds available totals (e.g. via a balance enquiry at an ATM or via online banking).</p> <p>Some Members may provide additional notification services to their customers, e.g. real-time output of payment details, SMS or email notifications etc. This is competitive. Overlay services that use specific payment sub-types, like Paym, may require additional activity on receipt, but these are in the remit of the overlay service provider.</p>
Payee Participant Error checking	<p>The level of error checking applied by the Payee Member, Direct Agency or Third Party Beneficiary is not subject to mandatory rules. However, the following guidelines should be applied where possible for the majority of payments.</p> <p>Where the Payee Member, Direct Agency or Third Party Beneficiary accepts a payment <u>without qualification</u> it is expected to have checked, at a minimum, that:</p> <ul style="list-style-type: none"> <li>• the 'Beneficiary Customer Account Number' quoted in the payment exists and is open for credits at the specified sort code (even if the account is not held with the Payee Member), or;</li> <li>• a building society roll number (or other identifier of an account at a bank or building society) quoted in the 18 character reference in the payment (where present), identifies an existing account that is open for credits (even if the account is not held with the Payee Member, Direct Agency or Third Party Beneficiary), or;</li> <li>• an account reference to identify the true individual customer account (e.g. a credit card number) quoted in the 18-character reference in the payment (where present) exists and is open.</li> </ul> <p>Where the Payee Member, Direct Agency or Beneficiary accepts a payment <u>with qualification</u> it is expected to have checked at a minimum: that where the 'Beneficiary Customer Account Number' quoted in the payment is held with an Indirect Agency, that it can credit the nostro account of that Indirect Agency in its books.</p>
Payee Participant response times	<p>On receipt of a payment from the FPS CI, Members, Direct Agencies and Third Party Beneficiaries must respond accepting or rejecting the payment within a few seconds, as defined in the FPS Procedures and Technical Specifications.</p>
Paying Participant Error checking	<p>The level of error checking applied by the Paying Member or Direct Agency before submission to the FPS CI is competitive.</p>

## FPS Customer Proposition

Feature of proposition	Detail
Payments Originated Overseas	A Payment Originating Overseas (POO) is a payment originating from an account held outside the UK; the Originating Credit Institution field <b>must</b> be a BIC, not a sort code. This is the only method whereby the Receiving FPS Institution identifies a payment as being a POO. Failure to do so could result in the sponsoring Member being in breach of AML and/or KYC legislation.
Price	It is competitive whether a Member chooses to apply a charge.
Reach, accounts to which payments can be made	<p>Members and Direct Agencies are obliged to be able to receive credits through FPS for all their Payment Accounts.</p> <p>This includes, but is not limited to</p> <ul style="list-style-type: none"> <li>• All accounts normally used for making and receiving payments, such as current accounts</li> <li>• Savings accounts</li> <li>• Mortgage and Loan Accounts where specific Account Rules may apply</li> <li>• Individual Savings Accounts (ISAs) Third Party Accounts, such as credit card accounts and utilities.</li> </ul>
Redirections	Where a customer has switched bank using the Current Account Switch Service (CASS), details of their old and new account will be lodged on a redirection table for a period defined by CASS. The FPS CI refers every Faster Payment to this table, and automatically redirects any payment referencing an old account. Each redirection is advised to the submitting Member, which is then responsible for updating its customers SOP or Bill Payment mandate, or in the case of corporate or Agency customers, informing them so that they can update their records. In the event of multiple redirections to the same account, from the same account, occurring, the Scheme will monitor Member compliance.
Returns	<p>Once a payment has been accepted by a Payee Member it cannot be rejected. Once posted to the account the Payee Member cannot subsequently debit the funds without the permission of the Beneficiary Customer, other than in certain well-defined circumstances, detailed in Credit Payment Recovery and Bank Error Recovery. If, following acceptance, it is not possible to make the funds available to the Beneficiary Customer (for example the payment is found to have been made fraudulently, or has failed a money laundering check), the funds should be returned. A Return Payment may then be sent returning the funds. This is a new payment that references the original payment, and where possible should be sent via FPS. See also "Credit Payment Recovery"</p> <p>Return Payments cannot be rejected using FPS. Any problems with Return Payments must be resolved manually.</p>

## FPS Customer Proposition

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<b>Feature of proposition</b>	<b>Detail</b>
Revocability	A payment cannot be revoked or recalled by the Paying Member once it has been input to the FPS CI. If accepted, the payment will be included in the next settlement at the Bank of England.
Threshold for individual payments	<p>The FPS CI imposes a limit on the maximum value of an individual payment that may be sent to the FPS CI. This limit can be different for each type of payment. The FPS CI will reject a payment that exceeds the applicable limit. Payments over the applicable limit must be sent by some other means. Details of the prevailing limits are available on the FPSL website.</p> <p><a href="http://www.fasterpayments.org.uk/about-us/benefits-faster-payments">http://www.fasterpayments.org.uk/about-us/benefits-faster-payments</a></p> <p>Members and Direct Agencies are free to set lower limits on a competitive basis, taking into account their risk appetite for customer segments and channels. FPSL will issue guidance regarding the setting of limits. Prevailing Member limits are published on the FPSL website.</p> <p><a href="http://www.fasterpayments.org.uk/consumers/transaction-limits">http://www.fasterpayments.org.uk/consumers/transaction-limits</a></p>

## 5 SINGLE IMMEDIATE PAYMENTS

5.1 The purpose of Single Immediate Payments (SIPs) is defined in Section 3.2.

5.2 Customers Inputting via their Member

Feature of proposition	Detail
Service available to customers to initiate payments	The FPS CI, and all Member, Direct Agency and Third Party Beneficiary systems for receipt of payments, are available 24*7 without exclusions. From the standpoint of a Paying Member or Direct Agency the service availability is competitive. It is in the competitive space to what extent this availability is extended to Indirect Agencies, corporate and personal customers, but it is expected that 24*7 be seen as the norm.
Type of Payer Customer account	All Payment Accounts. Support for other types of account is competitive.
Delivery channels	<p>The supported channels include Mobile, Internet and telephone banking. The ability to offer each channel and the method by which these services are provided to the customer, and facilities provided (e.g. selecting a beneficiary from a list set up previously) is competitive.</p> <p>Members and Direct Agencies may also choose to offer the service on other channels, e.g. in-branch, on a competitive basis.</p>
Payer Customer funds	The Payer Customer must ensure that funds are available for the payment before it is made, or have made alternate arrangements with its bank (e.g. overdraft facility). Members/Direct Agencies may allow SIPs to be subject to their re-try processes. How this is executed is competitive.
Confirmation of payment	<p>The FPS CI will provide confirmation within seconds back to the Paying Member that the payment has been received by the Payee Member and has been successfully executed or not. Where the customer is 'in attendance' (making a SIP via Internet or Mobile Banking), Paying Members will make information available to their Payer Customers within 15 seconds as to whether the funds are (or will be), available to the Beneficiary Customer or that the transaction has failed. The wording to be used to explain the fate of payments, especially those accepted with qualification, is competitive.</p> <p>For fraud management or money laundering detection purposes, a small percentage of such payments may be held pending investigation by the Paying Member, prior to submission to the FPS CI (or rejection back to the customer). Paying Members will make information available to their customers as above, indicating that payment has not yet been made.</p>
Payer Customer batch input to Paying Member	Batch input is available within many business e-banking packages and Members/Direct Agencies may extend this to unattended SIPs

## FPS Customer Proposition

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within FPS. This is a competitive matter for Paying Members. Each payment within a batch must be processed in conformance with the rules applied to individual payments. However Members may determine that for such, less time-critical, payments, FDP is a more appropriate method for sending these payments.

For SIPs, Members/Direct Agencies should develop services to send confirmation of fate back to the sender. For instance confirmation of batch delivery with exceptions may be made, rather than confirmation of each individual transaction.

## 6 FORWARD DATED PAYMENTS

6.1 The purpose of Forward Dated Payments (FDPs) is defined in Section 3.3.

6.2 The proposition for the set-up step is set out in the table below.

<b>Feature of proposition</b>	<b>Detail</b>
Availability of service to customers to set-up FDPs	Competitive.
Type of Payer Customer account	Competitive.
Delivery channels	The types of channel supported for setting up such payments are competitive.
Date of execution.	The allowed date and/or time of execution that can be specified is competitive.
Payment Re-tries	In the event that the Payer Customer has insufficient funds when the Member initially processed its FDP processing run, then the Member will re-try the FDP later in the day (as required by the FCA) to give the Payer Customer the opportunity to pay in covering funds. Members may choose to re-try periodically through the day.
Value added services, e.g. drop-down lists of payees	Facilities for setting up such payments are competitive.
Payer Customer batch input to Paying Member	Batch input is available within many business e-banking packages and Members may extend that to FDPs within FPS. This is a competitive matter for Paying Members. For such payments, FDP is the preferred method of processing. Each payment within a batch must be processed in conformance with the rules applied to individual payments.



## FPS Customer Proposition

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6.3 The proposition for the execution step is set out in the table below.

<b>Feature of proposition</b>	<b>Detail</b>
Date when payment is made	Competitive. FPS supports such payments 24*7 without exclusions (i.e. including weekends and Public Holidays).
Time when payment is made	It is competitive as to when in the day Paying Members would submit FDPs.
Confirmation of payment	<p>The FPS CI will provide confirmation within seconds back to the Paying Member that the payment has been accepted by the FPS CI or not.</p> <p>This acceptance does not, however, imply that the Payee Member has received the payment. The Payee Member receives the payment a short time later in a subsequent processing step. If the Payee Member then rejects the payment, the FPS CI returns the funds to the Paying Member in a Scheme Return Payment.</p> <p>Paying Members may make information available to their customers as to whether the FPS CI has accepted the payment, or that the transaction has failed. This is competitive.</p>
Cancellation	A Paying Member may cancel an FDP on request from the Payer Customer before the payment is sent to the FPS CI. This is competitive.

## 7 STANDING ORDERS

7.1 The purpose of Standing Orders (SOPs) is defined in Section 3.4.

7.2 The proposition for the set-up step is set out in the table below.

<b>Feature of proposition</b>	<b>Detail</b>
Availability of service to customers to set-up SOPs	Competitive.
Type of Payer Customer account	Competitive
Delivery channels	The types of channel supported for setting up such payments are competitive.
Date of execution.	SOPs can only be executed on Working Days (weekdays excluding English Bank Holidays) <sup>1</sup> .
Value added services, e.g. drop-down lists of payees	Facilities for setting up such payments are competitive.

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<sup>1</sup> Except in emergency with the agreement of the Scheme Body.

## FPS Customer Proposition

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7.3 The proposition for the execution step is set out in the table below.

Feature of proposition	Detail
Date when payment is made	<p>Payment of SOPs can only be made on Working Days (weekdays excluding English Public Holidays).</p> <p>In exceptional circumstances, and with the permission of FPSL, SOPs can be executed at weekends. In this case it is at the Payee Member's discretion whether to make funds available on a non-Working Day.</p>
Time when payment is made	<p>The SOP service is a 'same day' service. Customers should anticipate receiving funds by the start of the working day, except where the Payer Bank cannot send due to a lack of funds, in which case the Re-try Process applies. At least 90% of SOPs are required to be submitted by 06.00.</p>
Payment Re-tries	<p>In the event that the Payer Customer has insufficient funds when the Member initially processed its SOP processing run, then the Member will re-try the SOP later in the day (as required by the FCA) to give the Payer Customer the opportunity to pay in covering funds. Members may choose to re-try periodically through the day. Ideally, the Member should inform their customer of the issue.</p>
Confirmation of payment	<p>The FPS CI will provide confirmation within seconds back to the Paying Member that the payment has been accepted by the FPS CI or not.</p> <p>This acceptance does not, however, imply that the Payee Member has received the payment. The Payee Member receives the payment a short time later in a subsequent processing step. If the Payee Member then rejects the payment, the FPS CI returns the funds to the Paying Member in a Scheme Return Payment.</p> <p>Paying Members may make information available to their customers as to whether the FPS CI has accepted the payment, or that the transaction has failed. This is competitive.</p>
Cancellation	<p>A Paying Member may cancel a SOP on request from the Payer Customer before the payment is sent to the FPS CI. This is a competitive matter.</p>
Current Account Switch Service (CASS)	<p>As part of CASS, SOP mandates originating from a customer's current account will be automatically advised to their new bank, which will then effect future SOPs on their behalf.</p>

## **8 AGENCY PROPOSITION AND FILE INPUT**

### **8.1 Direct Agencies**

- 8.1.1 A Direct Agency can be sponsored by one or more Members. An individual bank office (sort code) can only be sponsored by one Member.
- 8.1.2 Members provide a real-time check on the availability of funds for Direct Agencies to make payments. Members also receive advice of credits accepted by Direct Agencies.
- 8.1.3 Direct Agencies can use one or more accounts with each Member to fund payments and receive credits.
- 8.1.4 Members provide inter-bank settlement facilities for payments made and accepted by Direct Agencies.
- 8.1.5 In all other respects Direct Agencies have the same obligations for making and receiving payments as Members.
- 8.1.6 Where one or two Direct Agencies are included in the processing of a SIP, the maximum time for confirmation of payment to the Beneficiary Customer is unchanged.
- 8.1.7 Where a Member 'group' includes an FPS Member and one or more wholly owned subsidiary companies as Indirect Agencies, the commercial relationship between the Direct Agency and the group can be through such an Indirect Agency. In such cases, the Member within the group must provide the settlement processing facilities for the Indirect Agency, and provide the interface with the FPS CI for the Indirect Agency for sending and receiving payments and credit authorisation requests.
- 8.1.8 Members are responsible for maintaining the EISCD (Extended Industry Sort Code Directory) entries for Direct Agencies that they sponsor.

### **8.2 Indirect Agencies**

- 8.2.1 FPS provides facilities for payments from Indirect Agencies to be sent via a Member or Direct Agency. Similarly, payments sent to an Indirect Agency are received ('handled') via a Member or Direct Agency.
- 8.2.2 Payments sent by Indirect Agencies are facilitated by FPS, but the customer proposition between the Indirect Agency and its customer is not covered by the FPS Scheme Rules, unless the Indirect Agency is using the Faster Payments Trademark and is complying with this Customer Proposition.
- 8.2.3 The nature of the interface between Members/Direct Agencies and Indirect Agencies for receiving payments is competitive. However, where the interface supports a real-time response from the Indirect Agency, the Member/Direct Agency is responsible for ensuring that the payment response time as perceived by the FPS CI is within the provisions defined in the FPS Scheme Rules.
- 8.2.4 Members are responsible for maintaining the EISCD entries for Indirect Agencies, including those for Indirect Agencies whose payments are handled by Direct Agencies that they sponsor.

**8.3 Agency File Input (FIM)**

8.3.1 Facilities for Direct Agencies and Indirect Agencies to send files directly to FPS are summarised in the table below (Members may also use this facility). Some Agencies may be FIM-Only Agencies, meaning that they can only send payments using FIM, and are in all other respects Indirect Agencies.

8.3.2 Where a Member 'group' includes an FPS Member and one or more wholly owned subsidiary companies as Indirect Agencies, the commercial relationship between a FIM-Only Agency and the group can be provided through such an Indirect Agency. In such cases, the Member within the group must provide the settlement processing facilities for the Indirect Agency, and provide the interface with the FPS CI for the Indirect Agency for sending and receiving payments and credit authorisation requests.

Feature of proposition	Detail
Availability for submission	24*7.
Payment Type	All payment types (except DCA Payments and Scheme Returns) may be submitted in files. Each payment sent in a file is subject to the same rules as if it was sent individually. In particular, SOPs may only be submitted on Working Days.
Payment Date	Submissions must only contain payments to be made on the same day. No warehousing is provided.
Submission channel	Currently ETS (Extended Transmission Service) or STS (SWIFT Transmission Service, VocaLink's application of SWIFTNet FileAct) only. Evaluation of alternative channels will be conducted periodically.
Submissions and files	Each submission may only contain one file. Each file can only contain payments funded from one Nostro account held by the submitter with one sponsor <sup>2</sup> .
Payment Format	The payments in such files are in the same format as single payments. This format complies with the ISO 8583 standard.
Authorisation and debit to submitter's account with sponsor	The submitter's sponsor checks that funds are available to cover all payments in a file in real time. The funds are either debited or earmarked for the value of a file before the payments are made.
Time of payment	Payments in a file are executed once the file has been validated.
Confirmation of payments	When the whole file has been processed, and all payments have either been accepted or rejected, the submitter is informed of the status of each payment in a report.  The sponsor is also informed of the overall total value of payments in the file accepted and rejected, so that he can adjust the submitter's account balance accordingly.

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<sup>2</sup> For file submission by a Member, the Member is its own sponsor.

## FPS Customer Proposition

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<b>Feature of proposition</b>	<b>Detail</b>
	Acceptance by the FPS CI does not, however, imply that the Payee Member has received the payment. The Payee Member receives the payment a short time later in a subsequent processing step. If the Payee Member then rejects the payment, the FPS CI returns the funds to the Paying Member in a Scheme Return Payment. The Payee Member should then re-credit the submitter for the value of the Scheme Return transaction.

## 9 CORPORATE PROPOSITION & DIRECT CORPORATE ACCESS

- 9.1 Members, Direct Agencies and Indirect Agencies may provide facilities for corporate customers to make and receive payments via the Member, Direct Agency or Indirect Agency's systems. This customer proposition does not differentiate between retail and corporate customers, and can use any message format / messaging protocol between the customer and Payer bank that the Payer Bank wishes to support.
- 9.2 Members and Direct Agencies may also sponsor Corporates that connect direct to FPS to submit payments in files. Such Corporates can send Corporate Bulk Payments to FPS using Secure-IP (the FPS variant of Bacstel-IP). This service is called Direct Corporate Access (DCA).
- 9.3 A Bureau may act on behalf of one or more Corporates, sending payments via DCA.
- 9.4 A Corporate or Bureau using DCA may be sponsored by more than one Member or Direct Agency.
- 9.5 Where a Member 'group' includes an FPS Member and one or more wholly owned subsidiary companies as Indirect Agencies, the commercial relationship between a Corporate and the group can be provided through such an Indirect Agency. In such cases, the Member within the group must provide the settlement processing facilities for the Indirect Agency, and provide the interface with the FPS CI for the Indirect Agency for sending and receiving payments and credit authorisation requests.
- 9.6 The proposition for corporates using DCA is set out in the table below, and is expressed mainly in terms of differences between the 3-day BACS service and FPS.

Feature of proposition	Detail
Availability of service to corporates to submit files	Defined by FPS Scheme Rules, but 24*7, subject to outages for planned or emergency maintenance activities. Wherever possible, a minimum of 2 weeks' notice is provided of planned outages. Outages will be scheduled between 06:00 on a Saturday to 23:59 on a Sunday.
Submission software	Software used to submit files to DCA must be approved by FPSL in accordance with Secure-IP requirements
Payment Date	Submissions must only contain payments to be made on the same day. No warehousing is provided.
Submission mechanism	Three network connections options are available for making submissions. A fixed connection using MPLS, a DSL connection using MPLS, and the Internet.
Payment Format	The payments in such files are in virtually the same format as in the Bacs service, i.e. Standard 18.

## FPS Customer Proposition

Feature of proposition	Detail
Submissions and files	<p>One submission may contain a number of files. A submission, and all files contained in it, must be from accounts with only one sponsor.</p> <p>Each file submitted must contain payments from only one account held by the corporate with his sponsor.</p>
Bureau submissions	Bureau submissions conform to the same rules as corporate submissions (as above)
Type of paying corporate account	Competitive
Authorisation and debit to corporate's account	The corporate's sponsor checks that funds are available to cover all payments in each file in real time. The funds are either debited or earmarked for the value of each file before the payments are made.
Security – Customer Authentication	Secure-IP is equivalent to Bacstel-IP.
Time of payment	Payments in submissions will be executed once the submission and files within the submission have been validated.
Confirmation of payments	<p>When the whole submission has been processed, and all payments have either been accepted or rejected by the FPS CI, the corporate is informed of the status of each payment in a report in XML or CSV format (not Standard 18).</p> <p>Acceptance by the FPS CI does not, however, imply that the Payee Member has received the payment. The Payee Member receives the payment a short time later in a subsequent processing step. If the Payee Member then rejects the payment, the FPS CI returns the funds to the Paying Member in a Scheme Return Payment.</p> <p>The sponsor is also informed of the overall total value of payments accepted and rejected per file, so that they can adjust the corporate's account balance accordingly.</p>
Payment Type	The receiving Member for each payment sent via DCA receives them with a payment type of 'DCA Corporate Bulk Payment'.