



Service Principles

A Guide for Faster Payments Participants

August 2020

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Introduction and Background

This document is a guide for Payment Service Providers (PSPs) that are interested in offering Faster Payments to their customers.

The document describes participation in the Faster Payments Service (FPS), types of payments supported, required elements for all types of payments, and features specific to each type of payment. This is not a formal controlling specification for FPS. Where there is a discrepancy between these Service Principles and any of the formal FPS controlling specifications (particularly the FPS Scheme Procedures, Functional Specification & Rules), the controlling specifications take precedence.

Pay.UK owns the trademark to “Faster Payments” and allows Participants to use it, provided the Scheme Procedures & Rules are adhered to.

Obligations defined in this proposition apply equally to Directly Connected Settling Participants (DCSPs), Directly Connected Non-Settling Participants (DCNSPs) and Indirect Agencies, unless otherwise explicitly stated.

For further information about Faster Payments, please contact FPSaccess@wearepay.uk or visit www.fasterpayments.org.uk

What is Faster Payments?

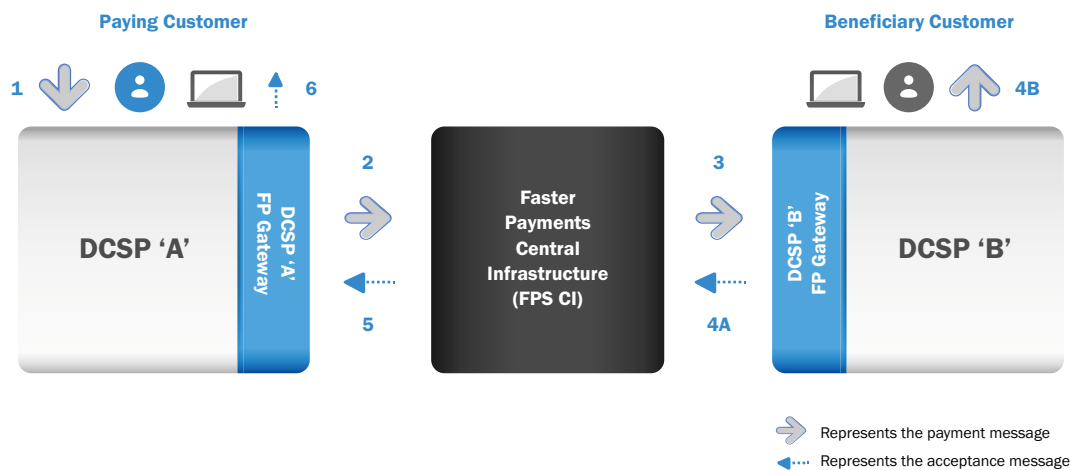
The Faster Payments Service (FPS) is the UK’s 24*7 Real Time Payment System and is one of the most advanced systems of its type in the world. Launched in 2008, FPS enables anyone with a UK bank account to send money to (almost) any other UK account, enabling customers to transfer money, and pay a bill, a business or another person almost instantaneously, 24 hours a day, seven days a week.

Access Options

There are a number of ways to connect to Faster Payments either Directly or Indirectly.

Directly Connected Settling Participant (DCSP)

DCSPs are Payment Service Providers (PSPs) which connect directly to the FPS Central Infrastructure (FPS CI). A key requirement is that the PSP has Reserves / Settlement Accounts at the Bank of England to facilitate the settlement of FPS payments.



KEY CONSIDERATIONS

To become a DCSP you will be required to:

- Be an Authorised PSP under the Payment Services Regulations (PSRs) (2017), as updated from time to time;
- Have access to Sterling settlement facilities at the Bank of England;
- Be able to comply with the technical and operational requirements of FPS;
- Become a Member of the Company;
- Have, or be eligible to hold, at least one unique Sort Code;
- Commit to pay any legal costs incurred by Pay.UK with regard to your participation;
- Validly execute and remain party to all Pay.UK legal agreements; and
- Provide a legal opinion confirming that Scheme agreements are legally binding and enforceable on you (applicable for overseas entities only).

Whilst there is no fee to join FPS itself, a DCSP must commit to paying the fees charged by our supplier to support the technical implementation, testing and on-going connectivity with the FPS CI.

BENEFITS OF DCSP PARTICIPATION

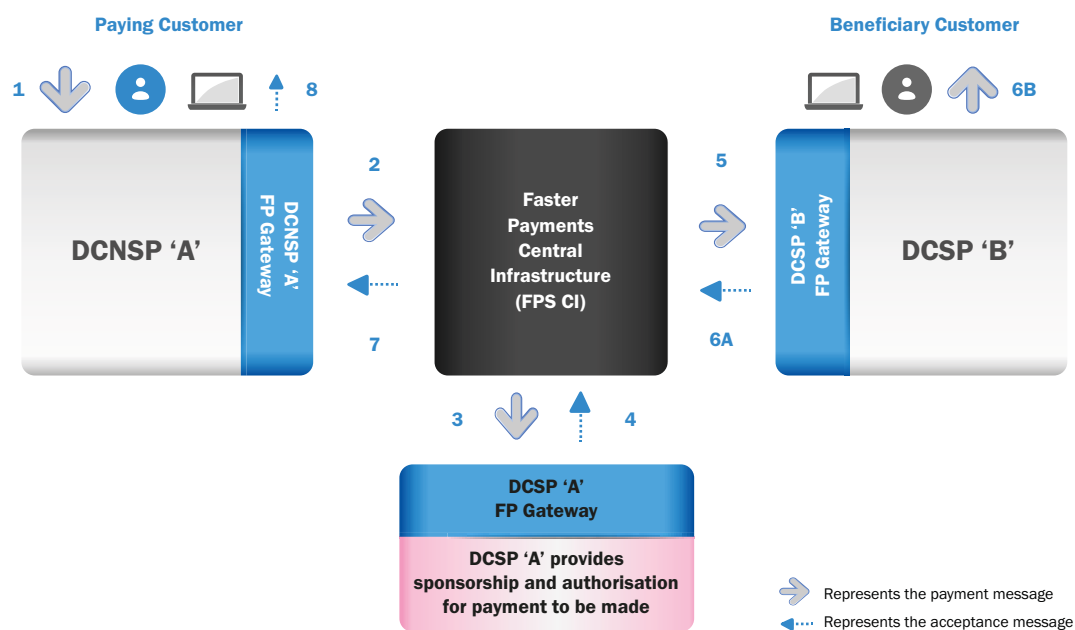
Listed below are some of the benefits you will enjoy when becoming a DCSP.

- Real-time 24*7 payment and receipt capability for your customers.
- Direct participation in FPS removes dependency on a sponsoring PSP.
- Provides ability to offer overlay services such as Paym to your customers.

Access Options

Directly Connected Non-Settling Participant (DCNSP)

A DCNSP connects directly to the FPS CI but is sponsored by a DCSP who authorises all Faster Payment debits and credits to and from the DCNSP in near real time. The sponsoring DCSP also manages settlement for the DCNSP.



KEY CONSIDERATIONS

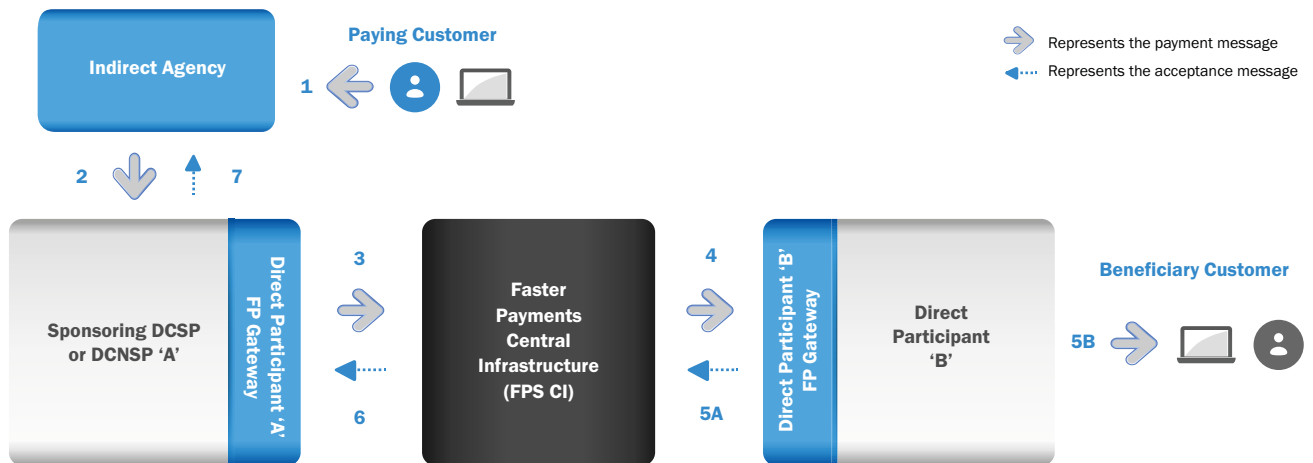
Listed below are a number of considerations associated with joining the FPS as a DCNSP.

- If becoming a DCSP is not achievable (e.g. you are not eligible to hold settlement facilities at the Bank of England), then the DCNSP is an alternative model to connect directly to the FPS CI.
- The sponsoring DCSP provides a real-time authorisation on the DCNSP's availability of funds in order to complete the requested payment. The sponsoring DCSP also receives a real-time authorisation before the acceptance of any credit destined for the DCNSP.
- A prospective DCNSP must join and be sponsored by a DCSP offering sponsorship services.
- The sponsoring DCSP will manage Bank of England settlement on behalf of the DCNSP.
- Besides settlement, DCNSPs have the same obligations for sending and receiving payments as DCSPs.
- A DCNSP must comply with FPS Scheme rules, assurance and attestation requirements.
- A DCNSP can be sponsored by one or more DCSPs. Each Sort Code can only be sponsored by one DCSP.

Access Options

Indirect Agency

An Indirect Agency is not directly connected to the FPS CI. An Indirect Agency sends and receives payments via a DCSP or DCNSP on its behalf or on behalf of its customers.



KEY CONSIDERATIONS

Listed below are a number of considerations associated with sending and / or receiving Faster Payments as an Indirect Agency.

- Should direct connectivity to the FPS CI not be preferential or commercially viable, Faster Payments can be sent and / or received via a DCSP that offers Indirect Agency services.
- The connectivity, channel and user interface that the sponsoring DCSP offers for sending and receiving Faster Payments, is competitive.
- DCSPs are responsible for maintaining the Extended Industry Sort Code Directory (EISCD) entries for Indirect Agencies, including those for Indirect Agencies sponsored by a DCNSP.

Payment Types

FPS encompasses several types of payment:

Single Immediate Payments (SIPs)

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 paying customer must be advised of the fate of the payment in near-real-time at the time of payment submission.

Feature of Payment Type	Detail
Batch Input	<p>Batch input is available within many business e-banking packages and Sending Participants may extend this to unattended SIPs. Each SIP within a batch must be processed in conformance with the rules applied to individual payments. Sending Participants may choose to send confirmation of batch delivery with exceptions, rather than confirmation of each individual transaction. This is a competitive matter for Sending Participants.</p> <p>Sending Participants may determine that for less time-critical payments, Forward Dated Payments (FDP) are a more appropriate method for sending these payments. This is a competitive matter for Sending Participants.</p>
Confirmation of Payment	<p>The Receiving Participant will provide confirmation (via the FPS CI) within seconds to the Sending Participant that the payment has been received and whether it has been successfully executed or not.</p> <p>Where the Paying Customer is 'in attendance' (e.g. making a SIP via internet or mobile banking), the Sending Participant will advise them of the payment's fate within 15 seconds. See 'Availability of funds to the Beneficiary' on page 13.</p> <p>Where one or two DCNSPs are included in the processing of a SIP, the maximum time for confirmation of payment to the Paying Customer is unchanged.</p> <p>For fraud management or money laundering detection purposes, a small percentage of such payments may be held pending investigation by the Sending or Receiving Participant, prior to submission to the FPS CI (or rejection back to the customer). Sending Participants will make information available to their customers as above, indicating that the payment has not yet been made.</p>
Payment Re-tries	<p>The Paying Customer must ensure that funds are available for the payment before it is made, or have made alternative arrangements with its PSP (e.g. overdraft facility). Participants may allow SIPs to be subject to their re-try processes to give the Paying Customer the opportunity to pay in sufficient funds. How this is executed is competitive.</p>

Payment Types

Standing Order Payments (SOPs)

Standing Order Payments (SOPs) are regular automated payments of a specified amount to a named beneficiary. SOPs are not submitted to the FPS CI until the date on which the payment is to be made.

Feature of Payment Type	Detail
Cancellation	A Sending Participant may cancel a SOP on request from the Paying Customer before the payment is sent to the FPS CI. This is competitive.
Date of Execution	SOPs can only be executed on weekdays, excluding Public Holidays in England and Wales. If the payment date falls on a weekend or Public Holiday, it is held back by the sending PSP until the next working day.
Payment Re-tries	In the event that the Paying Customer has insufficient funds when the Sending Participant initially processes its SOP run, the Sending Participant will re-try the SOP later in the day (as required by the FCA) to give the Paying Customer the opportunity to pay in sufficient funds.
Time when Payment is made	Sending Participants are required to process at least 90% of their SOPs between midnight and 06:00. Customers should anticipate receiving funds by the start of the working day, except where the Sending Participant cannot send due to a lack of funds, in which case the re-try process applies.

Forward Dated Payments (FDPs)

Forward Dated Payments (FDPs) are one-off payments set up by a customer for execution at a later time, often when the customer is not in attendance. The customer is not expecting to be advised of the fate of the payment.

Feature of Payment Type	Detail
Batch Input	Batch input is available within many business e-banking packages and Sending Participants may extend this to FDPs within FPS. This is a competitive matter for Sending Participants.
Cancellation	A Sending Participant may cancel a FDP on request from the Paying Customer before the payment is sent to the FPS CI. This is competitive.
Forward Dating Limits	The ability and the maximum allowed date and / or time of execution that can be specified is competitive. The payment is not submitted to the FPS CI until the time at which the payment is to be made. The FPS CI does not offer payment warehousing.
Payment Re-tries	In the event that the Paying Customer has insufficient funds when the Sending Participant initially processes its FDP run, the Sending Participant will re-try the FDP later in the day (as required by the Financial Conduct Authority (FCA)) to give the Paying Customer the opportunity to pay in covering funds.
Time when Payment is made	It is competitive as to what time(s) Sending Participants submit FDPs to the FPS CI.

Payment Types

Return Payments

Return Payments are funds that were initially accepted but, following acceptance, it is not possible to make the funds available to the Beneficiary Customer e.g. the payment is found to have been made fraudulently, or has failed Anti-Money Laundering (AML) checks, and the funds should be returned. A 'Return Payment' may then be sent to return the funds - this is a new payment that references the original payment, and where possible should be sent via FPS.

Scheme Return Payments can only be sent by the FPS CI. These payments are sent to return funds for asynchronous payments (FDP, SOP or DCA) that a DCSP or DCNSP has received but rejected.

Direct Corporate Access (DCA)

Direct Corporate Access (DCA) payments are those initiated in files sent to the FPS CI using Secure-IP (the FPS variant of Bacstel-IP) and the DCA Module at VocaLink. Further information on DCA can be found on page 20.

Banding and Settlement

Banding

Each Participant is placed in a Band (1-4), based on their volume share of Faster Payments but also taking account of any key service users in their customer base or local market dominance. The Band determines relative expected performance standards and level of control that will be stated within Scheme reference documents.

To determine the Banding of a PSP, we will review their annual Faster Payment receive volumes and compare this with the % of the total FPS receive traffic. The Bandings are as follows:

Band 1	Band 2	Band 3	Band 4
>10%	>1%	>0.1%	<0.1%

Settlement

FPS is a Financial Market Infrastructure (FMI) that exchanges payments in real-time 24*7, with Deferred Net Settlement (DNS) performed three times daily (banking days) by way of Central Bank funds with the Bank of England. This requires each DCSP to hold a Reserves Account with the Bank of England, which is used to perform settlement.

Each DCSP is responsible for setting its own Net Sender Cap (NSC). The NSC acts as a control mechanism to limit the credit exposure each Participant brings to the system. The NSC should be set at a level that more than covers the anticipated maximum intra-cycle debit position for that Participant, recognising that the flow of funds in and out of each Participant may vary during each settlement cycle.

In order to eliminate settlement risk (in accordance with CPMI-IOSCO Principles), each DCSP is also required to hold a cash sum equal to the value of the NSC in a separate Reserves Collateralisation Account (RCA). For example, if Participant A has a £50m NSC for its Faster Payments obligation, it will need to hold a minimum of £50m in cash on its Reserves Collateralisation Account (RCA) as well as having the funds available within the Reserves Account. In normal operation, the RCA will remain untouched, as after each Settlement Cycle, the Participant should settle any obligations by using their main Reserves Account.

This Pre-Funded Settlement Model ensures that, should any Participant encounter difficulties meeting its settlement obligations, FPS can instruct the Bank of England to use the cash held on that Participant's RCA to complete settlement whilst ensuring no other Participant is impacted. In that circumstance, FPS would reduce the Participant's NSC before the Bank of England debit the RCA to reflect the debit amount, only increasing the NSC if the Participant replenishes the RCA with additional cash.

This means that each DCSP is responsible for its own settlement obligations whilst protecting all other Participants as well as ensuring the underlying Faster Payments and associated settlement of those payments can be met.

Further information on Bank of England Settlement is available on its website.

Public Key Infrastructure (PKI)

Public key cryptography enables users to securely communicate on a public network and reliably verify the identity of a user via digital signatures.

PKI is a system for the creation, storage, and distribution of digital signatures which are used to verify that a particular public key belongs to a certain entity. The PKI creates digital certificates which map public keys to entities, securely stores these certificates in a central repository and revokes them if needed.

PKI is used:

- To access the Faster Payments User Interface (FPS UI) to download mandatory reports, such as settlement journals, and undertake ad-hoc enquiries on individual Faster Payments;
- To sign Faster Payments Direct Corporate Access (DCA) and File Input Module (FIM) files;
- Within the Bacstel-IP service to sign files of direct credits and direct debits;
- To control access to the Bacs Payment Services Website (PSW); and
- To control access to other services such as the Current Account Switch Service (CASS).



Pay.UK has set up a wholly owned subsidiary (UTSP Limited) that offers a fully functional, competitively priced PKI Trust Service solution – please contact utsp@wearepay.uk for further details.

Part of **pay.uk**

Extended Industry Sort Code Directory (EISCD)

It is mandatory that Participants ensure that sorting code reference data held on their payment related databases and applications is updated with fresh sorting code data on a weekly basis from the most recent EISCD.

Required Elements

Required elements of FPS that are common to all payment types and delivery mechanisms are detailed below.

Feature of proposition	Requirements of Participant				
	Direct – Band 1	Direct – Band 2	Direct – Band 3	Direct – Band 4	Indirect
Account Availability – send & receive	<p>Participants are obliged to be able to send and receive FPS for all money transfer accounts. This includes, but is not limited to:</p> <ul style="list-style-type: none"> • All accounts normally used for making and receiving payments, such as current accounts; • Savings accounts; • Mortgage and Loan Accounts where specific Account Rules may apply; and • Individual Savings Accounts (ISAs) Third Party Accounts, such as credit card accounts and utilities. 				
Account Statement	<p>Details of the credit must be applied to the account statement. As a minimum, this must include the date of posting; amount; the Remitter’s Name; and any Reference Information provided within tag 120 of the ISO8583 message.</p> <p>The provision of additional information – e.g. End to End Reference (tag 62 of the ISO8583 message); Remittance Information (tag 121 of the ISO8583 message); currency conversion information; delivery method, etc., is competitive.</p> <p>Where additional information relating to the payment is provided, the Receiving Participant must be able to provide it to their customer either proactively or on request.</p>				

Required Elements

Feature of proposition	Requirements of Participant				
	Direct – Band 1	Direct – Band 2	Direct – Band 3	Direct – Band 4	Indirect
Availability of Funds to the Beneficiary	<p>For each Faster Payment received, the DCSP / DCNSP must respond with one of the following, within a few seconds, as defined in the FPS Procedures and Technical Specifications:</p> <ul style="list-style-type: none"> • Unqualified Acceptance (UA); • Qualified Acceptance (QA), with a Qualifier Code; or • Rejection with a Rejection Code. <p>UA indicates that funds will be available to the Beneficiary Customer in Near Real Time but, when necessary, the funds could take longer to be applied within the Availability Window. There is a customer expectation that such payments are credited and the funds made available immediately.</p> <p>QA indicates that although the payment has passed initial error checking (see 'Error Checking – Receiving Participant' on page 16), the funds may not be available to the Beneficiary Customer in Near Real Time or within the Availability Window. The FPS allows a number of Qualifier Codes which can specify the timescale that funds will be made available:</p> <ul style="list-style-type: none"> • on the same day; • on the next calendar day; • on the next working day; • at an unspecified time and date within Payment Services Directive (PSD) guidelines; and • after the next working day within PSD guidelines. <p>There are restrictions as to the proportion of payments that can be given a QA.</p>				<p>This is competitive and no minimum FPS availability service level shall apply.</p>

Required Elements

Feature of proposition	Requirements of Participant				
	Direct – Band 1	Direct – Band 2	Direct – Band 3	Direct – Band 4	Indirect
Availability to Receive Payments	<p>Participants must be available to receive and respond to all types of payments 24*7 without exception.</p> <p>In the event of an incident affecting normal processing or during planned systems maintenance, stand-in processing should be employed to allow other Participants to continue sending Faster Payments to the stricken party. The afflicted Participant should respond with a QA response.</p> <p>Participants should schedule any planned systems maintenance activity at times where payment volumes are likely to be minimal, to minimise the impact across the industry.</p> <p>Also refer to ‘Availability of funds to the Beneficiary’ on page 13.</p>				<p>The Sponsoring Participant will provide responses on your behalf. The nature of the interface between DCSPs and Indirect Agencies for receiving payments is competitive. However, where the interface supports a real-time response from the Indirect Agency, the Participant 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.</p>
Bank Error Recovery (BER)	<p>If a DCSP or DCNSP sends a large number of payments in error, they may choose to make use of FPS Procedures to send a BER file to the Receiving Participant(s) that received the payments in error.</p> <p>The DCSP or DCNSP may invoke BER on behalf of an Indirect Agency it sponsors.</p>				<p>The Sponsoring Participant is able to invoke BER on the PSP’s behalf.</p>
Beneficiary Account Details	<p>The Sender must quote the Beneficiary’s Sort Code, Account Number and Name for all payments. If the Sender is using an overlay service (such as Paym) where they provide a proxy (such as a mobile telephone number) for the Beneficiary’s account details, the PSP will use this to derive the account details needed to initiate the payment.</p>				

Required Elements

Feature of proposition	Requirements of Participant				
	Direct – Band 1	Direct – Band 2	Direct – Band 3	Direct – Band 4	Indirect
Credit Payment Recovery (CPR)	The CPR process may be used to attempt to recover payments sent to the wrong account due to customer error or bank error.				Indirect Agencies may join CPR directly or use this service indirectly via their Sponsoring Participant.
Currency	£ Sterling only				
Customer Charges	It is competitive whether a PSP chooses to apply any charge for sending or receiving a payment.				
Customer Messaging	<p>The Sending Participant should ensure that for Synchronous payments receiving an Unqualified Accept, the message displayed to the sending customer focuses on the principle that the vast majority of payments are available in Near Real Time. Any reference to longer timescales for funds to become available in the message, is exceptional.</p> <p>The wording provided to the customer by the Sending Participant is competitive.</p>				
Delivery Channel Offered to your Customers	<p>The delivery channel and any value added service to send or receive Faster Payments is competitive but is as a minimum telephone and / or online banking.</p> <p>The availability of a delivery channel offered to customers is competitive but it is expected that 24*7 is seen as the norm.</p>				Indirect Agencies may be restricted by the Delivery Channel their Sponsoring Participant provides.
Error Checking – Sending Participant	<p>The FPS proposition relies on the Sending Customer carefully checking that they have the correct Sort Code and Account Number prior to payment submission.</p> <p>The Paym overlay service, with its account name validation step, may be promoted as an improved way of making person to person payments.</p> <p>The level of error checking applied by the Sending Participant before submission to the FPS CI, is competitive.</p>				

Required Elements

Feature of proposition	Requirements of Participant				
	Direct – Band 1	Direct – Band 2	Direct – Band 3	Direct – Band 4	Indirect
Error Checking – Receiving Participant	<p>The level of error checking is not subject to mandatory rules. However, the following guidelines should be applied for the majority of payments.</p> <p>When a Receiving Participant responds with an Unqualified Accept (UA), as a minimum, it is expected to have checked whether:</p> <ul style="list-style-type: none"> the ‘Beneficiary Customer Account Number’ (tag 35 of the ISO8583 message) quoted in the payment exists and can accept credits at the specified Sort Code (even if the account is not held with the Receiving Participant), or; a building society roll number (or other identifier of an account at a bank or building society) quoted within the Reference Information, can identify the account and whether the account is able to accept the Faster Payment credit (even if the account is not held with the Receiving Participant, DCNSP or Third Party Beneficiary), or; an account reference to identify the true individual customer account (e.g. a credit card number) quoted within the Reference Information (tag 120 of the ISO8583 message) exists and is open. <p>When a Receiving Participant responds with a Qualified Accept (QA) and the ‘Beneficiary Customer Account Number’ quoted in the payment is held with an Indirect Agency, it is expected to check that it can credit the account of that Indirect Agency in its books.</p>				<p>The Sponsoring Participant will provide responses on behalf of the Indirect Agency.</p>
Faster Payments Brand	<p>Pay.UK owns the trademark to “Faster Payments” and allows PSPs to use it, provided the Scheme Procedures & Rules are adhered to.</p>				
Fate of Payment	<p>Sending Participants should inform their customer of the status of the payment after receiving a Qualified Accept, Unqualified Accept or Reject response from the Receiving Participant.</p>				
Fraud	<p>The FPS does not mandate fraud checking; both the sending and receiving PSP should undertake suitable fraud checks in line with their own policies. At all times, you should follow the prevailing legislative requirements regarding AML and the Know Your Customer (KYC) process.</p>				
Limits – Daily	<p>Neither the FPS CI nor FPS Scheme Rules impose daily limits.</p>				

Required Elements

Feature of proposition	Requirements of Participant				
	Direct – Band 1	Direct – Band 2	Direct – Band 3	Direct – Band 4	Indirect
Limits – Individual Payment Amount	<p>The FPS CI imposes a limit on the maximum value of an individual payment. Any payment exceeding this limit will be rejected by the FPS CI. The current FPS limit is available on the FPS website.</p> <p>PSPs may set lower transaction limits – this is in the competitive space.</p>				<p>Indirect Agencies may be restricted by the maximum transaction amount their Sponsoring Participant allows.</p>
Paying Customer Funds	<p>The Paying Customer must ensure that funds are available for the payment before it is made, or have made alternative arrangements with its PSP (e.g. overdraft facility). Sending Participants may allow Faster Payments to be subject to their re-try processes. How this is executed is competitive.</p>				
Payment Information	<p>Each payment can include Reference Information for up to 18-characters within tag 120 of the ISO8583 message.</p> <p>The provision of additional information, such as the following, is competitive:</p> <ul style="list-style-type: none"> • 31 character End to End Reference for Payer Customer within tag 62 of the ISO8583 message; • 140 characters of Remittance Information within tag 121 of the ISO8583 message. <p>When included, the Receiving PSP must be able to provide this information to their customer either proactively or on request.</p>				
Payment Notification to Beneficiary	<p>Payments received will appear in funds available totals (e.g. via a balance enquiry at an ATM, online banking, etc).</p> <p>It is a competitive-based decision whether to provide additional notification services (e.g. real-time output of payment details, SMS or email notifications, etc).</p>				
Payments Originating Overseas	<p>A Payment Originating Overseas (POO) is any transaction you believe is subject to Wire Transfer Regulations¹. Both the sending and receiving PSP should conduct Sanctions screening in line with their own policy. At all times, PSPs should follow the prevailing legislative requirements regarding AML and KYC.</p> <p>The ‘Originating Credit Institution’ field (tag 42 of the ISO8583 message) must be a BIC (Bank Identifier Code), not a Sort Code. This is the only method whereby the Receiving PSP identifies a payment as being a POO. Failure to correctly populate this field could result in the Receiving Participant being in breach of AML and / or KYC legislation.</p>				

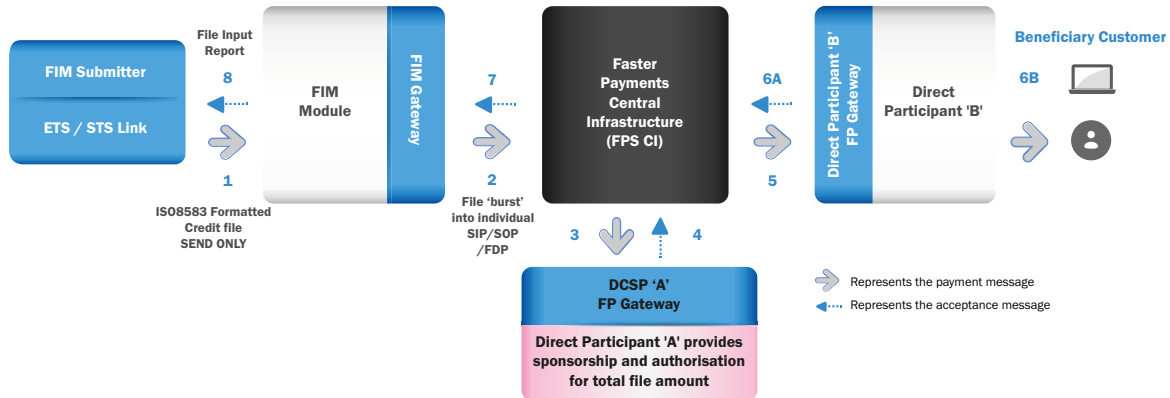
¹ The regulation has been in force since 26 June 2017 and its full legislative title is ‘The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017)’.

Required Elements

Feature of proposition	Requirements of Participant				
	Direct – Band 1	Direct – Band 2	Direct – Band 3	Direct – Band 4	Indirect
Redirections	Where a customer has switched PSP 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 Sending Participant, who is then responsible for updating its customers' SOP or Bill Payment mandate within the permitted timescale, or in the case of corporate or Agency customers, informing them so that they can update their records. The Scheme will monitor the PSP's compliance.				The Sponsoring Participant is responsible for providing the notification but the Indirect Agency is responsible for updating their records within the permitted timescale.
Returns	If, following acceptance, it is not possible to make the funds available to the Beneficiary Customer (e.g. the payment is found to have been made fraudulently, or has failed an AML 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.				
Revocability	A payment cannot be revoked or recalled once it has been sent to the FPS CI.				

File Input Module (FIM)

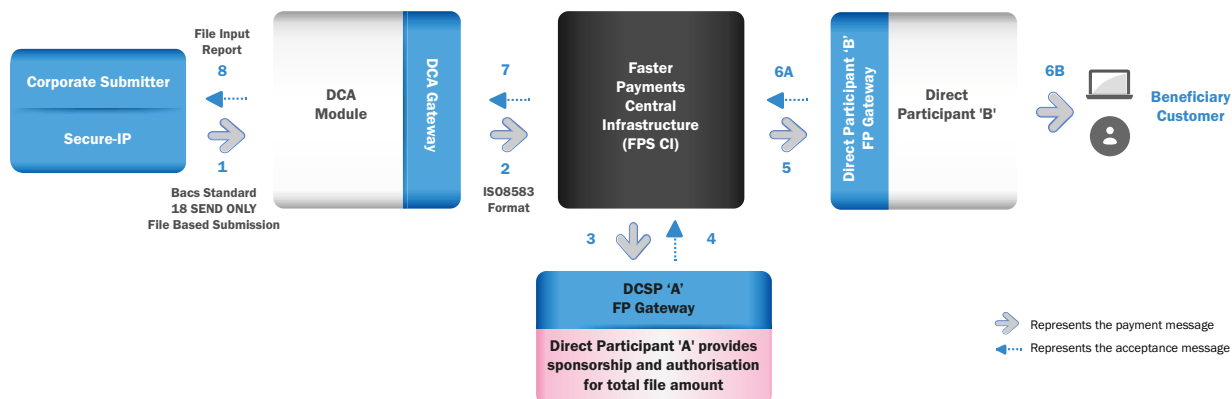
FIM is a file based solution to submit Faster Payments directly to the FPS CI as ISO8583 messages. FIM is a 'send only' service and does not support the receipt of Faster Payments.



Feature of proposition	Detail
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.
Availability for Submission	24*7.
Confirmation of Payments	<p>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.</p> <p>The sponsor is also informed of the overall total value of payments in the file accepted and rejected, so that they can adjust the submitter's account balance accordingly.</p> <p>Acceptance by the FPS CI does not, however, imply that the Receiving Participant has received the payment. The Receiving Participant receives the payment a short time later in a subsequent processing step. If the Receiving Participant then rejects the payment, the FPS CI returns the funds to the Sending Participant in a Scheme Return Payment. The Receiving Participant should then re-credit the submitter for the value of the Scheme Return transaction.</p>
Payment Date	Submissions must only contain payments to be made on the same day. No warehousing by the FPS CI is provided.
Payment Type	All payment types (except DCA Payments and Scheme Returns) may be submitted in FIM files. Each payment sent in a FIM file is subject to the same rules as if it was sent individually.
Submission Channel	ETS (Extended Transmission Service) or STS (SWIFT Transmission Service) only.
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.
Time of Payment	Payments in a file are executed once the file has been validated.

Direct Corporate Access (DCA)

DCSPs and DCNSPs may sponsor corporates that connect directly to the FPS CI to submit files of payments using Secure-IP (the FPS variant of Bacstel-IP) and the DCA module at Vocalink. DCA is not suitable for PSPs to submit payments on behalf of their customers.



Feature of proposition	Detail
Authorisation and Debit to Corporate's Account	The Sponsoring PSP 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.
Availability of Service	24*7 but subject to outages for planned or emergency maintenance activities. Outages will be scheduled between 06:00 on a Saturday to 23:59 on a Sunday
Confirmation of Payments	When the 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 via a report in XML or CSV format. Acceptance by the FPS CI does not, however, imply that the Receiving Participant has received the payment. The Receiving Participant receives the payment a short time later in a subsequent processing step. If the Receiving Participant then rejects the payment, the FPS CI returns the funds to the Sending Participant in a Scheme Return Payment. The Sponsoring PSP 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.
File Submission (Bureau and Corporate)	One submission may contain a number of files. A submission, and all files contained in it, must be from one debit account with only one sponsor.
Payment Date	Submissions must only contain payments to be made on the same day. No warehousing is available.
Payment Format	The files are in virtually the same format as in the Bacs service (i.e. Standard 18)
Payment Type	Payments sent via DCA have a payment type of 'DCA Corporate Bulk Payment' to the Receiving PSP.
Submission Mechanism	Three network connections options are available for making submissions - a fixed connection using MPLS (Multiprotocol Label Switching), a DSL (Digital Subscriber Line) connection using MPLS, and the internet.
Submission Software	Software used to submit files to DCA must be approved by Pay.UK in accordance with Secure-IP requirements. A list of approved software providers is located on the Bacs website: www.bacs.co.uk/Services/Bacsapprovedservices/Pages/ApprovedSoftware.aspx
Time of Payment	Payments will be executed once the submission and files within the submission have been validated.

Fee Structure

There are a number of cost / fee considerations for the applying PSP to be aware of as part of its integration with the FPS and other external parties.

All Direct Participants (DCSPs and DCNSPs) contribute to the costs of running Faster Payments based upon a monthly connectivity charge and each Participant's proportion of the total volume of payments sent and received through the system. There are no discounts or premiums for large or small volumes and these costs do not include the Participant's own technology, liquidity and operational costs.

This information is meant only as a guide, whereby Pay.UK does not take responsibility for pricing or fees that are managed outside of its organisation, therefore these are subject to change. The pricing / fees as articulated are purely set out as an example based on the information available to Pay.UK at the time of publication.

The below fees are reviewed on an annual basis and are subject to change in accordance with the FPS Rules.

	Fee	Amount	Payable By
Infrastructure Costs	24*7 Vocalink Service Desk Support & Maintenance Fee	£805 per month	All Direct Participants and all Technical Aggregators.
	Telecommunications Fee	£8,054 per month	Fees are payable by the Direct Participant or Technical Aggregator. This is dependent on who operates and maintains the direct connection to the FPS CI at Vocalink.
	Telecommunications Set-up	£ Time & Materials (T&M) Basis	
	Vocalink On-boarding Support	£68,000 excluding VAT (one off fee)	All Direct Participants.
	Vocalink Migration Support	£14,000 excluding VAT (one-off fee)	All Direct Participants requiring Migration Support.
	Transaction Fee (Indicative)	£0.01257 (c1.3p) per transaction	All Directly Connected Settling Participants.
Service Management Costs	Pay.UK Service Management Fee	£0.01269 (1.3p) per transaction	All Directly Connected Settling Participants.
Legal	Registering the Deed of Charge	£750 excluding VAT (one-off fee)	All Direct Participants.

Fee Structure

Infrastructure Costs

Technical connection to the FPS CI must be achieved via an MPLS+ connection that is arranged by Vocalink, who in turn organises this via British Telecom OpenReach. The MPLS lines consist of four lines (two from each data centre running Active/Active) connecting to the two FPS CI data centres operated by Vocalink, with the set-up costs and monthly maintenance costs as follows:

Telecommunications Set-up – £ Time & Materials (T&M) Basis

VocaLink and BT will typically charge the setting up of lines on a time and materials basis. This ensures that all types of MPLS establishment can be covered as each applying PSP / Aggregator will have differing requirements to set up the lines (e.g. this could depend on data centre location, whether roads need to be dug up for cabling etc).

Note: Whilst a PSP connecting via an Aggregator will not necessarily need to be concerned with the establishment of the MPLS lines between the Aggregator and the FPS CI, the PSP will however need to consider the establishment of the secure communications channel between itself and the Aggregator.

Telecommunications Monthly Fee – £8,054 per month

Once the lines have been established there will be an ongoing maintenance charge billed on a monthly basis (this is again payable by either the PSP / Aggregator dependent upon the gateway configuration).

Vocalink On-boarding Support - £68,000 (one-off fee)

Vocalink charge a fixed fee for the On-boarding activities for a brand new Faster Payments Participant i.e. one without Bank Code and Sort code(s) migration activities.

This price is subject to change and is dependent on requirement and resource implications. Any additional support will incur extra charges but these will first be agreed in advance prior to any work being undertaken.

Vocalink Migration Support - £14,000 (one-off fee)

For new DCSPs who are currently an Indirect Agency, Direct Agency or DCNSP and require Bank Code and Sort code(s) migration activities, a fee of £14,000 (excluding VAT) is chargeable for one migration rehearsal and completion of the migration activities. This fee is in addition to the £68,000 (excluding VAT) On-boarding fee above.

This price is subject to change and is dependent on requirement and resource implications. Any additional support will incur extra charges but these will first be agreed in advance prior to any work being undertaken.

24*7 VocaLink Service Desk Support and Maintenance – £805 per month

This is a monthly fee payable by all Direct Participants and Technical Aggregators for the ongoing support of the 24*7 Vocalink Service Desk as well as related maintenance services (i.e. maintenance releases, incident management provision, etc).

Transaction Fee

Transactions are charged monthly by Vocalink based on a Participant's volume of Faster Payments sent and received via the FPS CI.

Each month, a Participant's inbound and outbound Faster Payments are added together. This figure is divided by two and then multiplied by this Fee.

Fee Structure

Service Management Fees

The Service Management Fee is also known as the 'Pay Per Click' Fee.

Each month, a Participant's inbound and outbound Faster Payments are added together. This figure is divided by two and then multiplied by this Fee.

Legal

Where an 'opinion' is required by the Scheme for certain agreements to be completed and signed (i.e. FPS Membership Agreement) there may be instances where a legal opinion is sought. These charges are on a T&M basis and will be advised during the process of on-boarding.

When agreements are duly completed and signed, Pay.UK requires the applying PSP to register certain documents at Companies House (e.g. Deed of Charge) which is undertaken by Pay.UK at a charge of £750.00.

Further Information

For further information, please contact:

FPSaccess@wearepay.uk

www.fasterpayments.org.uk