



September 2019

## Press Release

### **Tackling authorised push payment scams - Lending Standards Board (LSB) establishes Advisory Group**

As part of an industry-wide effort to prevent push payment scams and to protect consumers, LSB has established an Advisory Group to support its stewardship of the new Contingent Reimbursement Model Code for Authorised Push Payments (the CRM Code). LSB took over responsibility for the Code on 1 July.

Push payment scams occur when consumers are tricked into authorising payments which they did not intend to make. In the first half of 2019, 57,549 consumers lost £208m as a result of these scams.

Following a super-complaint by *Which?* in September 2016, firms and consumer groups came together to agree a new CRM Code designed to protect consumers by preventing such frauds and by reimbursing consumers provided they did everything expected of them under the CRM Code. The LSB took over as the independent official oversight and governance body for the CRM Code on the 1 July, charged with monitoring adherence by participating firms and keeping the Code under review.

Eight firms, representing seventeen brands, are already signed up to implement the Code covering over 85% of authorised push payments; LSB and UK Finance are working to bring other firms on board.

The Advisory Group will challenge and support LSB in overseeing the Code. The Group, which is chaired by Ruth Evans, held its first meeting on 18 September. It has three members drawn from the participating firms and three members who represent the consumer interest, including a representative from *Which?*

A key initial task for the Group will be to advise LSB as we begin a review of the application and interpretation of the reimbursement provisions of the Code, focusing on the customer's reasonable basis for believing that the party they were dealing with, or the product they were purchasing, was genuine.

LSB will also consult the Group on its future programme of oversight and on its first review of the Code itself, due to begin in July 2020.

## Notes for Editors

- The Contingent Reimbursement Model (CRM) Code for authorised push payment scams was launched on 28 May 2019. The Code was the work of a Steering Group, also chaired by Ruth Evans.
- The LSB took on responsibility for the governance and oversight of the CRM Code from 1 July 2019. The Code is available on the LSB website <https://www.lendingstandardsboard.org.uk/contingent-reimbursement-model-code/#contingent-reimbursement-model-crm-code>
- Ruth Evans has been the Chair of the Independent Parliamentary Standards Authority since 2016. Ruth has also served as:
  - Chair of the Payments Strategy Forum, 2015 – January 2018 which was established in July 2015 by the Payments Strategy Regulator to deliver a Strategy and operational Blueprint for a new payments architecture for the UK;
  - Chair of the Independent Parliamentary Standards Authority, June 2016 – present, which sets and regulates MP's salaries, pensions, business costs and expenses;
  - Chair and Deputy Chair of a range of regulatory boards (Authority for Television on Demand, Bar Standards Board, Ofcom Consumer Panel and the General Medical Council's Standards Committee);
  - Chair of two independent Inquiries (the Brompton and Harefield Inquiries into Baby Deaths, and the Independent Inquiry into Drug Testing at Work);
  - Non-executive director of four financial services businesses;
  - Leader of three charities (War on Want, MIND and Maternity Alliance); and
  - Chief executive and Accounting Officer of the National Consumer Council, a public body, for 7 years.
- The other members of the Advisory Group are:
  - Paul Davis (Lloyds Banking Group)
  - Sam White (Barclays Bank)
  - Larry Potter (Starling Bank)
  - Richard Piggin (*Which?*)
  - Faith Reynolds (Independent)
  - Lucy Malenczuk (Independent)
- The participating firms signed up to the Code are:
  - Barclays Bank UK PLC
  - HSBC
  - Lloyds Banking Group
  - Metro Bank plc
  - National Westminster Bank Plc
  - Nationwide Building Society
  - Santander UK plc
  - Starling Bank
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