



TISA Discussion Forum

16 June 2011

Electronic Messaging for Cash ISA Transfers

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Who are Bacs?

A not-for-profit, membership-based industry body owned by 16 of the leading banks and building societies in the UK and Europe

Responsible for the schemes behind the clearing and settlement of automated payments in the UK including Direct Debit and Bacs Direct Credit

Overseen by the Bank of England



Delivering more than ever before

2010 saw more than 5.6 billion transactions processed

- 3.22 billion Direct Debits
- 2.28 billion Bacs Direct Credits

- 90.3 million daily payment transactions

- 75% of adults have at least one Direct Debit

- Almost 90% of the UK workforce is paid via Bacs Direct Credit.
 - 4m wages a week, 25m salaries a month

- Bacs messaging services processed 274 million transactions



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Why Bacs?

Cross Industry stakeholder experience

- Industry Bodies
- Bacs membership
- Affiliates
- Reach – 97% of ISA providers are users of Bacs

Track record

- Systemically Important payment and messaging systems
- Developing and managing scheme rules

Building on existing expertise

- Current account switching process - 1.7m messages processed in 2010



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Cash ISA Transfers Project

Background

- Drivers
 - Regulatory pressure to improve E2E transfer timeframe
 - Provide process efficiencies
- Industry activity (Joint Industry initiative (TISA, BBA and BSA)
 - RFI for an automated Cash ISA Transfers messaging service
- Bacs selected as the preferred supplier – Industry mandate to:
 - Establish a framework to deliver :
 - Business requirements
 - Governance and access models
 - Implementation plan, timeframe and development costs
- Scope
 - Cash ISA transfers only
 - Messaging only, not the payment itself



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Cash ISA Transfers Project update

Programme Board - Governance

- Policy / Direction
- Access models
- Sign off responsibilities
- Industry bodies represented to ensure other/wider stakeholder engagement

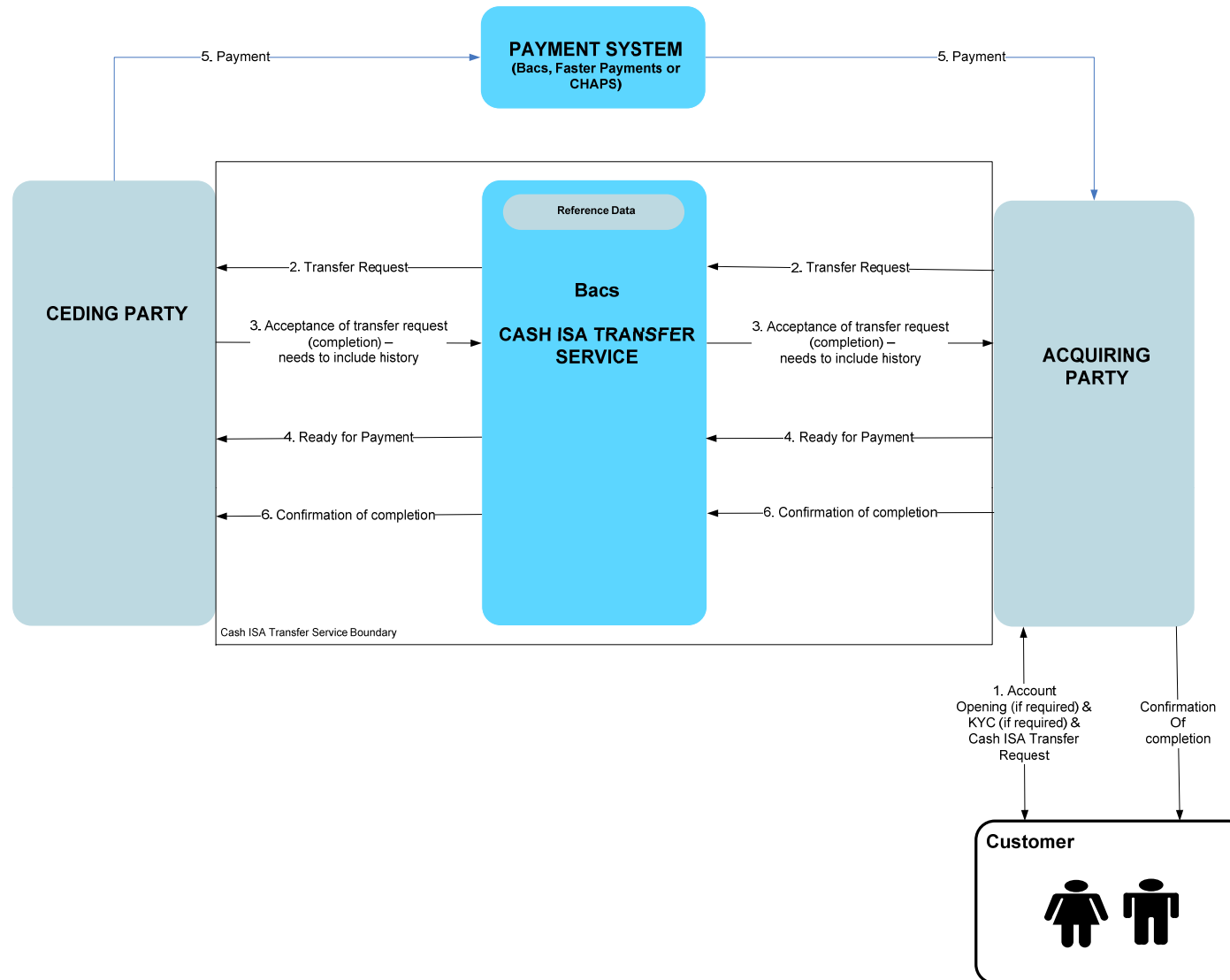
Cross industry Working Group

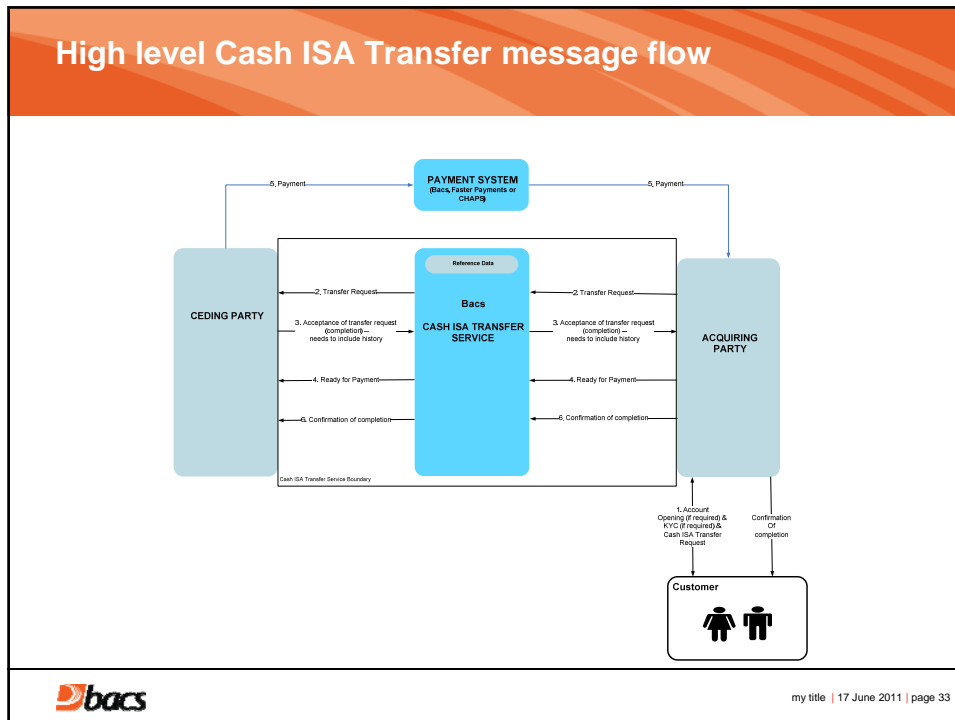
- Industry representatives with business and technical expertise
- Working Group deliverables
 - Business requirements
 - Process model
 - Service definition
 - Functional and non-functional specification
 - Solution architecture definition




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High level Cash ISA Transfer message flow





- ## Risk and issues
- Wet Signatures**
 - Principle agreement to remove wet signatures
 - Consideration of mitigations to reduce provider/fraud risk
 - Contact Database**
 - Requirement for providers to be able to route/address transfers
 - Understanding of existing TISA contact database established
 - Consideration of both interim and longer term solutions
 - Inclusion/access for all providers**
 - Utilisation of existing Bacs channels and access arrangements
 - Interoperability with the S&S ISA transfer solution**
 - Requirement to support Cash ISA → S&S ISA Transfers
 - Junior ISA**
 - Considered out of scope for this implementation project
 - To be considered as a potential requirement for future phase of the project
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