

Annex A to the CHAPS Reference Manual – CHAPS Reimbursement Rules

1. Introduction

- 1.1. This Annex A to the CHAPS Reference Manual sets out the CHAPS reimbursement rules that the Payment Systems Regulator (the PSR), exercising its powers under section 54 of the Financial Services (Banking Reform) Act 2013 (FSBRA), has directed certain Payment Service Providers (PSPs) to comply with, alongside the CHAPS reimbursement requirement and any requirements imposed in the CHAPS Compliance Data Reporting Standards, under Specific Direction 21. Directed PSPs must also have regard to any other guidance and/or standards issued by the PSR as regards compliance with the CHAPS reimbursement requirement.
- 1.2. Under Specific Direction 21, the CHAPS reimbursement requirement applies in line with the exceptions and additional provisions set out in these CHAPS reimbursement rules. These exceptions and provisions shall be applied in respect of the CHAPS reimbursement requirement subject to any specific definitions or requirements which are applicable in the context of that requirement.
- 1.3. From 7 October 2024 all Directed PSPs must comply with the CHAPS reimbursement rules, and 7 October 2024 is the effective date for this Annex A.
- 1.4. In accordance with sections 1.18 and 10.1 to 10.8 of the CHAPS Reference Manual this Annex A is incorporated into and forms part of the CHAPS Reference Manual.
- 1.5. All capitalised terms have the meanings given to them in the CHAPS Glossary of the CHAPS Reference Manual and in section 2 of Annex A. In the event of any conflict the CHAPS Glossary and section 2 of Annex A, the term shall be defined as per section 2 of Annex A.
- 1.6. The obligations set out in this Annex A are without prejudice to any conflicting obligations which Directed PSPs has under other UK laws or regulations.
- 1.7. The CHAPS reimbursement requirement does not impact the Participant Default Arrangements, irrevocability, or finality of payments executed through the CHAPS system and in accordance with section 9 of the CHAPS Reference Manual.
- 1.8. For the avoidance of doubt, Indirect Access Providers are not responsible for those PSPs that they provide payment services to in the context of these CHAPS reimbursement rules.
- 1.9. Directed PSPs must make their contact information available to each other and work together on CHAPS APP scam claims.
 - 1.9.1. Some PSPs may interact with each other for the purposes of claim management through participating in a Claim Management Solution; this is applicable where both the Sending PSP and Receiving PSP are users of the same Claim Management Solution.
 - 1.9.2. All Directed PSPs must provide information requested for inclusion in an APP Scam Directory, and to access information about other Directed PSPs. To do so, Directed PSPs must register with Pay.UK to access its Reimbursement Claims Management System (RCMS) and onboard to the system (subject to set-up actions by Pay.UK) as soon as is practicable and in any case by 7 October 2024. Except that Directed PSPs which begin to participate in CHAPS and provide CHAPS relevant accounts at any date after the date of Specific Direction 21, must so register and onboard before sending or receiving live transactions using CHAPS.
 - 1.9.3. Information requested may include but is not limited to:

- 1.9.3.1. Contact information for the Directed PSPs and details of staff who will be set up to manage access for other users;
 - 1.9.3.2. Business information about the Directed PSP including its regulatory status and Financial Services registration number;
 - 1.9.3.3. A list of sort code ranges and account numbers, where relevant, for CHAPS relevant accounts; and
 - 1.9.3.4. Whether the Directed PSP provides CHAPS relevant accounts as well as information about the Directed PSP.
- 1.10. All Directed PSPs must collate, retain, make available and report certain data in relation to the CHAPS reimbursement requirement in accordance with Specific Direction 21. This data is specified by the PSR in the CHAPS Compliance Data Reporting Standard and may be specified by the Bank in these CHAPS reimbursement rules. The Bank will share data received with the PSR.
- 1.11. Directed PSPs must submit this data to the Bank on a monthly basis via email (chapsappfraud@bankofengland.co.uk) using Reporting Standard A, as established by the PSR in Specific Direction 21 and the CHAPS APP Scams Compliance Data Reporting Standard. In due course, this will be replaced by data that can be extracted from a Claim Management Solution using Reporting Standard B. PSPs must attest to the completeness and accuracy of the data provided to the Bank.
- 1.12. Directed PSPs should have regard to Pay.UK's 'Best Practice Guidance' when managing claims.

2. CHAPS Reimbursement Rules – Glossary

In this Annex A, the following words and expressions shall have the following meanings:

Account controlled by the consumer means a CHAPS relevant account that a consumer can access and make payments from. It is not sufficient for it to be in the consumer's name.

Agent (of the Victim) means any claim management company or law firm.

Authorised push payment or **APP** means a Consumer payment initiated by the Sending PSP in accordance with an authorisation given by its Consumer.

APP scam (authorised push payment scam) means where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the consumer's CHAPS relevant account to a CHAPS relevant account not controlled by the Consumer, where:

- The recipient is not who the Consumer intended to pay, or
- The payment is not for the purpose the Consumer intended.

For the avoidance of doubt, if the Consumer is party to the fraud or dishonesty, this is not an APP scam for the purpose of the CHAPS reimbursement requirement, or the CHAPS reimbursement rules.

APP Scam Directory means a directory maintained by Pay.UK which contains contact details and other information as required for Directed PSPs.

Authorisation for the purpose of the CHAPS reimbursement requirement, in the context of a payment means that the payer has given their explicit consent to:

1. The execution of the payment transaction, or
2. The execution of a series of payment transactions of which that payment transaction forms part.

Bank means the Bank of England as the operator of the CHAPS payment system.

Business day for the purposes of the CHAPS reimbursement requirement, means any day (period of 24 hours beginning at midnight) that is not a Saturday or Sunday, or a bank or public holiday in any part of the United Kingdom.

Business hours means between 9:00am and 5:00pm on a Business day.

CHAPS means the regulated payment system designated by Order from the Treasury on 1 April 2015. It is the UK's high-value payment system and is operated by the Bank.

CHAPS APP scam claim means one or more CHAPS APP scam payments made as part of an APP scam and reported to the victim's PSP.

CHAPS APP scam payment means an APP that has all the following features:

1. It is authorised by a Victim, as part of an APP scam, who is (i) a customer of, and holds a payment account with, the Sending PSP and (ii) holds that payment account as a Consumer.
2. The resulting funds transfer is settled through CHAPS.
3. It is executed by that Sending PSP from a CHAPS relevant account in the UK.
4. The payment is received in a CHAPS relevant account in the UK that is not controlled by the Consumer.

5. The payment is executed to the CHAPS relevant account identified in the Consumer's payment order to the Sending PSP but that payment is not to the recipient the Consumer intended or is not for the purpose the Consumer intended.
6. It is executed through CHAPS using a pacs.008 message.

CHAPS Compliance Data Reporting Standards (CCDRS) means the document produced and published by the PSR, as may be amended from time to time, which sets requirements for the specific information Directed PSPs must collate, retain and provide under Specific Direction 21.

CHAPS Direct Participant means an entity which satisfies the CHAPS system access criteria as specified in the CHAPS Reference Manual and is admitted to participation in the CHAPS System by entering into a CHAPS Participation Agreement with the Bank.

CHAPS Reimbursable Amount means the amount of compensation to be paid to a Victim by their Sending PSP with respect to the value of Reimbursable CHAPS APP scam payment(s) included in the relevant CHAPS (or Hybrid) APP scam claim.

CHAPS Reimbursable Contribution Amount means the amount of compensation to be paid to a Sending PSP by a Receiving PSP, with respect to the value of a CHAPS Reimbursable Amount.

CHAPS reimbursement requirement means the obligation conferred on Directed PSPs by the PSR under section 3 of Specific Direction 21.

CHAPS reimbursement rules means any rules included in this Annex A of the CHAPS Reference Manual.

CHAPS relevant account means an account that is provided to a service user, is held in the UK and can send or receive payments using CHAPS, but excludes accounts provided by credit unions, municipal banks, Financial Market Infrastructure (FMIs) and national savings banks.

Claim closed refers to the status of a CHAPS (or Hybrid) APP scam claim. There are a number of possible statuses – in due course these would be recorded in a central Claims Management Solution. In the meantime:

- A CHAPS (or Hybrid) APP scam claim may not be considered as closed until it has been assessed by the Sending PSP as including or not including Reimbursable CHAPS APP scam payments (and Reimbursable FPS APP scam payments for Hybrid APP scam claims).
- For a claim to be considered closed, either:
 - the Victim must have been reimbursed the Reimbursable Amount it is due (the Reimbursable Contribution Amount may still be pending from the Receiving PSP(s)); or
 - the assessment must have determined that the CHAPS (or Hybrid) APP scam claim does not include any Reimbursable CHAPS APP scam payment(s) and the claim has been rejected. For the avoidance of doubt, where the assessment of a Hybrid APP scam claim determines that the claim does not include any Reimbursable CHAPS APP scam payments, such determination does not prevent the determination that Reimbursable FPS APP scam payment(s) are included in the claim, in respect of which the FPS reimbursement rules would continue to apply.
- Where a claim is considered as closed (but is not rejected), it will be considered as closed either:
 - **pending repatriation**, where the Receiving PSP(s) has paid the Reimbursable Contribution Amount but funds have yet to be recovered or repatriated. Claims may be considered dormant for up to 13 months before being considered closed; or
 - **repatriation complete** where funds have been recovered and repatriated by the Receiving PSP to the Sending PSP – this may take place either (i) after the Sending PSP pays the Reimbursable Amount to the Victim; or (ii) before, where the Sending PSP uses the recovered and repatriated funds to reimburse the Victim.

Claim Management Solution means the 'Best Practice System' provided by UK Finance, or as otherwise advised. In time, this is expected to be superseded by a Pay.UK-managed solution.

Competent National Authority (CNA) means a) any Police Force within the meaning of the Police Act 1996; b) the Police Service of Scotland as defined by the Police and Fire Reform (Scotland) Act 2012; c) the Policy Service of Northern Ireland as defined by the Policy (Northern Ireland) Act 2000; d) the National Crime Agency, as defined by the Crime and Courts Act 2013; and e) any other authority identified by the PSR through guidance issued under section 96 of the Financial Services (Banking Reform) Act 2013.

Consumer refers to Service users of PSPs. These are individuals, microenterprises (an enterprise that employs fewer than ten persons and has either an annual turnover or annual balance sheet total that does not exceed €2 million), or charities (a body whose annual income is less than £1 million per year and is a charity as defined by the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 or the Charities Act (Northern Ireland) 2008).

Consumer Standard of Caution Exception is defined by the PSR in its publication: The Consumer Standard of Caution Exception.¹ Directed PSPs should also apply this for CHAPS APP scam claims, substituting 'FPS' for 'CHAPS' as appropriate.

Directed PSP or in-scope PSP means a PSP participating in CHAPS to which Specific Direction 21 (CHAPS APP scam reimbursement requirement) applies. For the avoidance of doubt, these CHAPS reimbursement rules apply to all PSPs that provide CHAPS relevant accounts, whether or not that PSP is itself direct participant in CHAPS.

Effective Date is 7 October 2024.

FPS or Faster Payments Scheme means the Faster Payments Scheme a regulated payment system designated by Order from the Treasury on 1 April 2015. It is operated by Pay.UK.

Financial Market Infrastructure (FMI) means all the systems, networks, and procedures that facilitate the clearing, settlement, and recording of financial instruments i.e. payment systems, central securities depositories, securities settlement systems, central counterparties and trade repositories.

FPS APP scam payment means an APP, authorised by a victim as part of an FPS APP scam claim (as defined by Pay.UK as the operator of FPS), which has all of the following features:

1. It is executed through the Faster Payments Scheme.
2. It is authorised by a PSP's consumer.
3. It is executed by that PSP in the UK.
4. The payment is received in a relevant account in the UK that is not controlled by the consumer.
5. The payment is not to the recipient the consumer intended, or is not for the purpose the consumer intended.

FPS reimbursement rules means the rules created by Pay.UK, as the operator of FPS, as a result of the PSR's Specific Requirement 1 (FPS APP scam reimbursement rules) as amended from time to time.

¹ <https://www.psr.org.uk/publications/legal-directions-and-decisions/app-scams-reimbursement-specific-requirement-1-sr1-on-pay-uk/>

Hybrid APP scam claim means one or more of CHAPS APP scam payments and one or more FPS APP scam payments made as part of an APP scam and reported to the Victim's PSP.

Indirect Access Provider means a PSP with access to CHAPS that has an agreement or arrangements with another person for the purpose of enabling that other person (the **Indirect Participant**) to provide services for the purposes of enabling the transfer of funds using CHAPS or to become a PSP in relation to CHAPS. An Indirect Access Provider does not have to be a CHAPS direct participant. Indirect PSPs can themselves provide indirect access (sometimes called a 'nested' access arrangement). For the avoidance of doubt, this intentionally differs from the definition of a 'CHAPS Indirect Access Provider' which is used elsewhere in the CHAPS Reference Manual.

Maximum Claim Excess means,

- for a CHAPS APP Scam Claim, £100.
- for a Hybrid APP scam claim, £100, less the amount of any claim excess applied under the FPS reimbursement rules.

Maximum Reimbursement Amount means:

- for a CHAPS APP scam claim and any linked claim(s), £85,000.
- for a Hybrid APP scam claim and any linked claim(s), £85,000, less the amount of any Reimbursable FPS APP scam payment(s) included in the claim(s) and which is subject to reimbursement in accordance with the FPS reimbursement rules.

Participant has the same meaning as under section 42(2) of FSBRA.

Pay.UK Best Practice Guidance means documents issued by Pay.UK that contain APP fraud reimbursement best practice guidance support and other information for Directed PSPs.

Payment System has the same meaning as under section 41(1) FSBRA.

Payment Systems Regulator (PSR) is the body corporate established under section 40 of FSBRA.

Payment service provider or PSP has the same meaning as under section 42(5) of FSBRA.

Private civil dispute means a dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.

Receiving PSP means a PSP providing a CHAPS relevant account into which APP scam payments are received. Any references to Receiving PSP in the singular may also be read in the plural where a CHAPS (or Hybrid) APP scam claim includes payments to more than one Receiving PSP.

Reimbursable Amount means:

- for a CHAPS APP scam claim, the CHAPS Reimbursable Amount.
- for a Hybrid APP scam claim, the amount of compensation to be paid to a Victim by their Sending PSP with respect to the value of Reimbursable CHAPS APP scam payment(s) and Reimbursable FPS APP scam payment(s) included in the claim.

Reimbursable CHAPS APP scam payment has the meaning given to that term in clause 3.11, in summary, a CHAPS APP scam payment where the Consumer Standard of Caution Exception does not apply, the Victim is not party to the fraud or claiming fraudulently or dishonestly to have been defrauded and the claim was made within the time limit set out in the CHAPS reimbursement rules.

Reimbursable FPS APP scam payment means an FPS APP scam payment that is included in a Hybrid APP scam claim and which is assessed to be a Reimbursable FPS APP scam payment under the FPS reimbursement rules.

Reimbursable Contribution Amount means the amount of compensation to be paid to a Sending PSP by a Receiving PSP, with respect to the value of a Reimbursable Amount.

Reimbursement Claims Management System (RCMS) means the claims management, communication and information reporting IT system provided by Pay.UK. Directed PSPs will use this system initially to look up contact information for other Directed PSPs including where a Receiving PSP should pay the Reimbursable Contribution Amount due to the Sending PSP.

Repatriation means where a Receiving PSP is able to detect, freeze and return funds transferred from the Sending PSP as part of a CHAPS APP scam payment.

Retain means to keep information for the period specified, in a readily accessible electronic format where possible.

Sending PSP means a PSP that provides a CHAPS relevant account for a consumer, from which one or more CHAPS APP scam payments were made.

Service user means a person who uses a service provided by a payment system and is not a participant in that payment system.

Victim means a Consumer who has made one or more CHAPS APP scam payments.

Vulnerable Consumer has the same meaning as when the term is used by the FCA in its *Guidance for firms on the fair treatment of vulnerable customers*,² namely that a vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to harm – particularly when a firm is not acting with appropriate levels of care.

² <https://www.fca.org.uk/publications/finalised-guidance/guidance-firms-fair-treatment-vulnerable-customers>

3. CHAPS reimbursement requirement and scope

Application

This Annex A applies to all Directed PSPs, regardless of whether they are a CHAPS Direct Participant, or not.

CHAPS reimbursement requirement

- 3.1. When a Victim reports a Reimbursable CHAPS APP scam payment to their Sending PSP, the Sending PSP must reimburse the Victim in full. This is the CHAPS reimbursement requirement.

Scope of the CHAPS reimbursement requirement

- 3.2. The CHAPS reimbursement requirement applies to all Reimbursable CHAPS APP scam payments executed on or after the implementation date. The implementation date set out by the PSR under Specific Direction 21 is 7 October 2024.
- 3.3. If a Victim reports details of a CHAPS APP scam claim to their Sending PSP, the Sending PSP must pay the CHAPS Reimbursable Amount, calculated under these CHAPS reimbursement rules, to the Victim within five Business days of the Victim reporting a CHAPS APP scam claim to the Sending PSP, unless the Sending PSP exercises the 'stop the clock' provision set out in section 4 of this Annex A.
- 3.4. A CHAPS (or Hybrid) APP Scam claim is deemed to be made when the Victim reports to their Sending PSP it has happened, with details of the CHAPS (or Hybrid) APP scam claim and specifies at least one CHAPS APP scam payment. The Victim should report the details of the CHAPS (or Hybrid) APP scam claim to their Sending PSP as quickly as possible, and within a maximum of 13 months of the final CHAPS APP scam payment (or, if applicable, final FPS APP scam payment) of the claim being made.
- 3.5. If a Sending PSP submits details of their payment of the CHAPS Reimbursable Amount to the Receiving PSP, the Receiving PSP must pay the CHAPS Reimbursable Contribution Amount, calculated under these CHAPS reimbursement rules, to the Sending PSP within five Business days following the notification from the Sending PSP.

Exceptions to the CHAPS reimbursement requirement

- 3.6. PSPs are not required to reimburse any CHAPS APP scam payments where the Consumer Standard of Caution Exception, set by the PSR and published on their website applies.³ The Consumer Standard of Caution Exception applies where a Sending PSP can demonstrate that a Consumer who has made a CHAPS (or Hybrid) APP scam claim has, as a result of gross negligence, not complied with one or more of the following standards:
 - a) The Consumer should have regard to any intervention made by their Sending PSP and/or by a Competent National Authority (CNA).
 - b) The Consumer should, upon learning or suspecting that they have fallen Victim to an APP scam, report the CHAPS (or Hybrid) APP scam claim promptly to their Sending PSP.
 - c) The Consumer should respond to any reasonable and proportionate requests for information made by their Sending PSP for any purposes set out in clause 4.6 of these CHAPS APP scam rules.
 - d) The Consumer should, after making a CHAPS (or Hybrid) APP scam claim, consent to the PSP reporting to the police on the Consumer's behalf or request they directly

³ **[APP scams reimbursement: Specific Requirement 1 \(SR1\) on Pay.UK | Payment Systems Regulator \(psr.org.uk\)](#)**

report the details of a CHAPS (or Hybrid) APP scam to a Competent National Authority.

The Consumer Standard of Caution Exception does not apply if the Victim was a Vulnerable Consumer at the time they made at least one of the CHAPS APP scam payments (or, if applicable, FPS APP Scam payments) included in the claim and this had a material impact on their ability to protect themselves from the scam.

- 3.7. Directed PSPs are not required to reimburse Victims above the Maximum Reimbursement Amount, irrespective of whether the Consumer was assessed as Vulnerable. The Maximum Reimbursement Amount applies to each CHAPS (or Hybrid) APP scam claim. If a Sending PSP reimburses its Consumer above the Maximum Reimbursement Amount per claim, this will be considered a voluntary reimbursement. Sending PSPs must not request the Reimbursable Contribution Amount relating to any voluntary reimbursement above the Maximum Reimbursement Amount.
- 3.8. Directed PSPs are not required to reimburse a CHAPS (or Hybrid) APP scam payments:
 - 3.8.1. reported more than 13 months after the date of the final CHAPS APP scam payment (or, if applicable, final FPS APP scam payment) of the claim, or
 - 3.8.2. for CHAPS APP scam payment(s) that occurred before the Effective Date.

If a Sending PSP reimburses a claim reported more than 13 months after the final payment, or for CHAPS APP scam payment(s) that occurred before the Effective Date, this will be considered a voluntary reimbursement.

- 3.9. Such voluntary reimbursements are outside the scope of the CHAPS reimbursement requirement and the CHAPS reimbursement rules.

Validating a CHAPS APP scam payment

- 3.10. A CHAPS APP scam payment means an APP that has all the following features:
 1. It is authorised by a Victim, as part of an APP scam, who is (i) a customer of, and holds a payment account with, the Sending PSP and (ii) holds that payment account as a Consumer.
 2. The resulting funds transfer is settled through CHAPS.
 3. It is executed by that Sending PSP from a CHAPS relevant account in the UK.
 4. The payment is received in a CHAPS relevant account in the UK that is not controlled by the Consumer.
 5. The payment is executed to the CHAPS relevant account identified in the Consumer's payment order to the Sending PSP but that payment is not to the recipient the Consumer intended or is not for the purpose the Consumer intended.
 6. It is executed through CHAPS using a pacs.008 message.
- 3.11. A CHAPS APP scam payment is a Reimbursable CHAPS APP scam payment if the Sending PSP, having conducted an assessment, determines that:
 1. the Consumer Standard of Caution Exception does not apply, or the Victim was a Vulnerable Consumer at the time when the APP scam payment was authorised and this had a material impact on their ability to protect themselves from the scam;

2. the Victim is not party to the fraud;
3. the Victim is not claiming fraudulently or dishonestly to have been defrauded;
4. the Victim is not claiming for an amount which is the subject of a Private civil dispute;
5. the Victim is not claiming for an amount which the Victim paid for an unlawful purpose;
6. the CHAPS (or Hybrid) APP scam claim was reported no more than 13 months after the date of the final CHAPS APP scam payment (or, if applicable, final FPS APP scam payment) of the claim; and
7. the CHAPS APP scam payment was made on or after the Effective Date.

3.12. Sending PSPs must:

1. collect notifications of reported CHAPS (or Hybrid) APP scam claims from its customers in accordance with clause 4.1;
2. assess each reported CHAPS (or Hybrid) APP scam claim to determine whether one or more of the CHAPS APP scam payments is a Reimbursable CHAPS APP scam payment in accordance with clause 4.4; and
3. submit data on each reported CHAPS (or Hybrid) APP scam claim and the payment of each Reimbursable Contribution Amount in accordance with clause 5.2.

4. Payment of the Reimbursement Amount

Collection of CHAPS (or Hybrid) APP scam claims by Sending PSPs

4.1. If a Sending PSP receives a reported CHAPS (or Hybrid) APP scam claim from their Consumer, the Sending PSP⁴ must notify the Receiving PSP(s), within two Business hours of the CHAPS (or Hybrid) APP scam claim being reported by the Consumer, by sharing the following information:

1. the sort code and account number to identify the account from which the payment(s) were initiated;
2. the sort code(s) and account number(s), and/or relevant secondary reference data (for example, roll numbers), to identify the account(s) to which the payment(s) were initiated, whether or not the Sending PSP has confirmed that such account(s) is/are held in the UK with a Receiving PSP;
3. the amount(s) of all CHAPS APP scam payment(s) reported in the CHAPS (or Hybrid) APP scam claim and, if applicable, the amount(s) of all FPS APP scam payment(s) reported in the Hybrid APP scam claim;
4. the date and time at which the CHAPS (or Hybrid) APP scam claim was reported by the Consumer; and
5. any other proportionate of reasonable evidence held by the Sending PSP confirming or explaining that the payment was not made to the recipient intended by the Consumer or that the payment was received for a purpose other than that intended by the Consumer.

4.2. Following the reporting of a CHAPS (or Hybrid) APP scam claim to the Sending PSP, the Receiving PSP has the opportunity to respond to the Sending PSP with any information it believes to be relevant to the CHAPS (or Hybrid) APP scam claim, up to a maximum of three Business days after the reporting of the CHAPS (or Hybrid) APP scam claim to the Sending PSP. For the avoidance of doubt, the Sending PSP cannot complete its assessment of the CHAP (or Hybrid) APP Scam claim until either:

- a. the opportunity to respond period of time has elapsed, which is the end of the third Business day after the CHAPS (or Hybrid) APP scam claim was reported to the Sending PSP; or
- b. all Receiving PSPs have responded.

If a Sending PSP chooses to reimburse the Victim in advance of completing the assessment to determine whether any payment(s) within the claim are reimbursable, the Sending PSP must complete its assessment of whether the CHAPS APP scam payment(s) are Reimbursable CHAPS APP scam payment(s) taking into account any information provided by the Receiving PSP(s). Sending PSPs may not request a CHAPS Reimbursable Contribution Amount for payments which are not Reimbursable CHAPS APP scam payments, including where the Sending PSP has chosen to reimburse the Consumer in advance of completing the assessment.

Assessment of reported CHAPS and Hybrid APP scam claims

4.3. When a Consumer reports the details of the CHAPS (or Hybrid) APP scam claim to their Sending PSP, the Sending PSP must:

⁴ In instances where the Sending PSP cannot identify the Receiving PSP, please refer to the process defined in Pay.UK Best Practice Guide or as otherwise provided by Pay.UK.

- 4.3.1. allow all Receiving PSP(s) that have received at least one CHAPS APP scam payment included within the CHAPS (or Hybrid) APP scam claim the opportunity to respond, as detailed under clause 4.2 and then;
- 4.3.2. the Sending PSP must assess all CHAPS APP scam payments to determine whether the reported CHAPS APP scam payment(s) are Reimbursable CHAPS APP scam payment(s) and pay any CHAPS Reimbursable Amount to the Victim within five Business days of the claim being reported, except to the extent that such period is extended in accordance with clause 4.6 below. For the avoidance of doubt, any FPS APP scam payment(s) included in a Hybrid APP scam claim should be assessed in accordance with the FPS reimbursement rules.
- 4.4. Any additional CHAPS APP scam payments or FPS APP scam payments identified to be part of the same APP scam after the Consumer has reported the initial CHAPS (or Hybrid) APP scam claim to their Sending PSP must be raised as a new claim. When a new claim is linked to any associated previous CHAPS (or Hybrid) APP scam claim(s) it must not involve any additional or new excess being applied to the Victim and the Maximum Reimbursement Amount will also apply across all linked claims.
- 4.5. Sending PSPs may pause the five-Business day reimbursement timescale set out under clause 3.3 by using the 'stop the clock provision' only when it has required further information to assess the reported CHAPS (or Hybrid) APP scam claim.
- 4.6. Sending PSPs can only pause the five-Business day reimbursement timescale for as long as it is necessary, subject to clause 4.9, to receive information for one or more of the following reasons:
 1. to gather information from the Victim(s) (or their Agent) to assess whether the claim includes Reimbursable CHAPS APP scam payment(s);
 2. to gather information from the Receiving PSP(s) to assess whether the claim includes Reimbursable CHAPS APP scam payment(s);
 3. to verify that an Agent is submitting a legitimate claim – for example, validating that the Victim has authorised the Agent to submit a claim;
 4. to gather additional information from a Victim to assess if they were a Vulnerable Consumer and this had a material impact on their ability to protect themselves from the scam, at the time they made the relevant CHAPS APP scam payment(s) or FPS APP scam payment(s);
 5. where the Sending PSP has evidence of fraud on the part of the person who made the CHAPS (or Hybrid) APP scam claim to gather additional information from the Receiving PSP, law enforcement, or other relevant parties; and/or
 6. for APP scams involving multiple Receiving PSPs, to gather additional information from all Receiving PSPs involved.
- 4.7. A Receiving PSP that receives a request from a Sending PSP under clause 4.6 to provide information in relation to a reported CHAPS (or Hybrid) APP scam claim must respond accurately and as soon as possible, but recommended to be no later than the end of the 25th Business day following the reporting of the CHAPS (or Hybrid) APP scam claim by the Consumer or their Agent to their Sending PSP. The Sending PSP must inform the Receiving PSP of the final Business day to respond to the request.
- 4.8. The five-Business day period within which clause 3.3 must be complied with shall be deemed to continue from such time as the Sending PSP has received any information requested under clause 4.6 and does not request any further information from any party (whether under these rules or, for Hybrid APP scam claims, under the FPS reimbursement rules) in order to determine whether the reported CHAPS (or Hybrid) APP scam claim satisfies the criteria of a Reimbursable CHAPS APP scam payment or, if applicable, FPS APP scam payment.

- 4.9. The Sending PSP may stop the clock as many times as necessary to complete its assessment of CHAPS (or Hybrid) APP scam claims. However, in any case, it must complete its assessment, decide whether the CHAPS (or Hybrid) APP scam claim is to be reimbursed or not and close the claim before the end of the 35th Business day following the reporting of the CHAPS (or Hybrid) APP scam claim by the Consumer or their Agent to their Sending PSP.
- i. Where the Sending PSP has made multiple requests to gather information under stop the clock and these requests are all open in parallel (including, for Hybrid APP scam claims, any request made to Receiving PSPs under the FPS reimbursement rules), the clock remains stopped until the final response is received.
- 4.10. The Sending PSP must retain a record of each assessment.

Outcome of assessment

- 4.11. A Sending PSP must not complete its assessment of the CHAPS (or Hybrid) APP scam claim until either the opportunity to respond period of time has elapsed, which is the end of the third Business day after the CHAPS (or Hybrid) scam claim was reported to the Sending PSP, or when all Receiving PSP(s) have responded. If a Sending PSP assesses that a reported CHAPS (or Hybrid) APP scam claim satisfies the criteria of a Reimbursable CHAPS APP scam payment or, if applicable, Reimbursable FPS APP scam payment, it must:
1. Inform the Victim in writing of its decision, credit the CHAPS relevant account which the Victim holds with the Sending PSP with the CHAPS Reimbursable Amount, and (if appropriate) provide an explanation as to why the CHAPS Reimbursable Amount is less than the total value of the CHAPS APP scam payments.
 2. Notify the Receiving PSP (within one Business day of informing the Victim in writing of its decision) that the reported CHAPS (or Hybrid) APP scam claim will result in a request for payment, from the Receiving PSP, of the Reimbursable Contribution Amount. For the avoidance of doubt, the Sending PSP cannot complete their assessment and submit the notification before the opportunity to respond, detailed under clause 4.2, has concluded.

For a CHAPS APP scam claim, when the Sending PSP notifies the Receiving PSP under clause 4.11.2, the claim will be considered closed, pending payment of the Reimbursable Contribution Amount from the Receiving PSP(s).

For a Hybrid APP scam claim, the claim will be considered closed, pending payment of the Reimbursable Contribution Amount from the Receiving PSP(s) when the Sending PSP notifies the Receiving PSP under clause 4.11.2 and under the equivalent provision in the FPS reimbursement rules in respect of any FPS APP scam payments included in the Hybrid APP scam claim.

- 4.12. If a Sending PSP assesses that a reported CHAPS APP scam payment does not satisfy the criteria of a Reimbursable CHAPS APP scam payment, it must:
1. Inform the Consumer that the reported CHAPS APP scam payment does not satisfy the criteria of a Reimbursable CHAPS APP scam payment, and, to the extent permitted by law, provide a summary of the reasons for that decision; and
 2. Send a notification to the Receiving PSP, within one Business day of informing the Consumer of the decision of the outcome of the assessment, confirming the reasons for the rejecting any payment as non-reimbursable. For the avoidance of doubt, the Sending PSP cannot complete their assessment and submit the notification before the opportunity to respond, detailed under clause 4.2, has concluded.

For a CHAPS APP scam claim, when the Sending PSP notifies the Receiving PSP under clause 4.12.2, the claim will be considered closed, with no request sent to the Receiving PSP for the payment of the Reimbursable Contribution Amount.

For a Hybrid APP scam claim, the claim will be considered closed, with no request sent to the Receiving PSP for payment of the Reimbursable Contribution Amount, when the Sending PSP notifies the Receiving PSP under clause 4.12.2 in respect of CHAPS APP scam payments and under the equivalent provision in the FPS reimbursement rules in respect of any FPS APP scam payments included in the Hybrid APP scam claim. For the avoidance of doubt, where the assessment of a Hybrid APP scam claim determines that the claim does not include any Reimbursable CHAPS APP scam payments, such determination does not prevent a determination that Reimbursable FPS APP scam payment(s) are included in the claim, in respect of which the FPS reimbursement rules would continue to apply.

- 4.13. A CHAPS (or Hybrid) APP scam claim should not be closed by the Sending PSP until it has completed its assessment of the CHAPS (or Hybrid) APP scam claim and the opportunity to respond, detailed under clause 4.2, has concluded. To close the CHAPS (or Hybrid) APP scam claim, the Sending PSP must have assessed the claim as including, or not including, Reimbursable CHAPS APP scam payments and, if applicable, Reimbursable FPS APP scam payments and either:
1. the Victim has been reimbursed for any Reimbursable CHAPS APP scam payments (in accordance with these CHAPS reimbursement rules) or, where applicable, any Reimbursable FPS APP scam payments included in the claim (in accordance with the FPS reimbursement rules); or
 2. the claim has been rejected as the assessment determined that the claim did not include any Reimbursable CHAPS APP scam payments or Reimbursable FPS APP scam payments. For the avoidance of doubt, where the assessment of a Hybrid APP scam claim determines that the claim does not include any Reimbursable CHAPS APP scam payments, such determination does not prevent a determination that Reimbursable FPS APP scam payment(s) are included in the claim, in respect of which the FPS reimbursement rules would continue to apply.

Payment of the Reimbursable Amount

- 4.14. If a Sending PSP assesses that a reported CHAPS (or Hybrid) APP scam claim satisfies the criteria for the payment of the CHAPS Reimbursable Amount, it must credit the value of the CHAPS Reimbursable Amount to the CHAPS relevant account from which the CHAPS APP scam payment(s) occurred by no later than the end of the fifth Business day (subject to any extension pursuant to clause 4.6) following the notification of the reported APP scam under clause 4.1.
- 4.15. The value of the CHAPS Reimbursable Amount to be credited to the Victim shall be the full value of the CHAPS APP scam payments up to the Maximum Reimbursement Amount, less any claim excess imposed.
- i. Sending PSPs may apply a single claim excess to each CHAPS APP scam claim, up to the Maximum Claim Excess value. This is subject to clause 4.4.ii where no new excess is to be applied to linked claims. For a Hybrid APP scam claim, the Sending PSP may deduct a claim excess amount under the FPS reimbursement rules from any reimbursable amount that is due under the FPS reimbursement rules and, to the extent that any such deduction is less than the Maximum Claim Excess, the remainder (up to the Maximum Claim Excess) may be deducted from the CHAPS Reimbursable Amount under this rule. For the avoidance of doubt, no claim excess may be applied under this rule to the extent that the Maximum Claim Excess is applied under the FPS reimbursement rules. This is also subject to clause 4.4.ii where no new excess is to be applied to linked claims.
 - ii. The Maximum Reimbursement Amount is to be applied across all linked claims, as detailed under clause 4.4. Any reimbursement to the Victim above this is treated as a voluntary reimbursement, detailed under clause 3.7.
 - iii. Sending PSPs may not apply a claim excess if the Victim was a Vulnerable Consumer at the time when they made any of the relevant CHAPS APP scam payment(s) or FPS

APP scam payment(s) included in the claim, and vulnerability affected their ability to protect themselves from the scam.

5. Payment of Reimbursement Contribution

5.1. If a Sending PSP has:

- a) paid the CHAPS Reimbursable Amount with respect to a reimbursable CHAPS (or Hybrid) APP scam claim in accordance with all relevant provisions of clause 4.11 above, and
- b) provided the data listed in clause 5.3 to the Receiving PSP,

the CHAPS Reimbursable Contribution Amount shall become payable by the Receiving PSP.

5.2. The Receiving PPS is not liable to pay any amount in relation to:

- a) Any voluntary reimbursement.
- b) Any payment the Sending PSP makes to its Consumer after it has closed a CHAPS (or Hybrid) APP scam claim, whether by reimbursement or rejection. This includes any payment made as a result of a court of Alternative Dispute Resolution decision subsequent to the CHAPS (or Hybrid) APP scam claim being considered closed.

5.3. A Sending PSP must provide, or otherwise make available, to the Receiving PSP:

1. confirmation that:
 - a) the Reimbursable CHAPS APP scam payment(s) were executed through CHAPS by the Sending PSP from a CHAPS relevant account located in the UK;
 - b) the Reimbursable CHAPS APP scam payment(s) were authorised by the Victim of the Sending PSP;
2. the sort code(s) and account number(s), and/or relevant secondary reference data, to identify the CHAPS relevant account(s) to which the CHAPS APP scam payment(s) were received;
3. the date and time of the payment of the Reimbursable Amount to the Victim;
4. reason code(s) for extending the five-Business day reimbursement timescale under clause 4.6, if applicable, or under the FPS reimbursement rules, if applicable; and
5. the amount(s) of:
 - a) the CHAPS APP scam payment(s);
 - b) the CHAPS Reimbursable Amount;
 - c) any deductions made pursuant to clause 4.15 and under the FPS reimbursement rules, if applicable;
 - d) the CHAPS Reimbursable Contribution Amount owed by the Receiving PSP.

5.4. The Sending PSP must provide data to the Receiving PSP, in accordance with clause 5.3 above of the basis of its calculation of the CHAPS Reimbursable Contribution Amount and as a substantiation of the claim for payment by the Receiving PSP.

Payment of the CHAPS Reimbursable Contribution Amount

5.5. The CHAPS Reimbursable Contribution Amount owed by the Receiving PSP to the Sending

PSP shall be calculated by the Sending PSP as a proportion of half the CHAPS Reimbursable Amount. The proportion is calculated for each Receiving PSP as the total value of the Reimbursable CHAPS APP scam payments sent to that Receiving PSP, divided by the total value of Reimbursable CHAPS APP scam payments in the CHAPS (or Hybrid) APP scam claim.

- 5.6. If the Sending PSP chooses not to apply the Maximum Claim Excess value, and where the Victim is not assessed as Vulnerable Consumer, the following provisions apply:
- a) the CHAPS Reimbursable Contribution Amount calculated under clause 5.5 is instead calculated as a proportion of half of:
 - i. for a CHAPS APP scam claim, the lower of:
 - 1. the Maximum Reimbursement Amount, reduced by the Maximum Claim Excess value; and
 - 2. the total of all Reimbursable CHAPS APP scam payments in the CHAPS APP scam claim, reduced by the Maximum Claim Excess value.
 - ii. for a Hybrid APP scam claim, the lower of:
 - 1. the Maximum Reimbursement Amount, reduced by the Maximum Hybrid Claim Excess value; and
 - 2. the total of all Reimbursable CHAPS APP scam payments in the Hybrid APP scam claim, reduced by the Maximum Hybrid Claim Excess value.

The Sending PSP is required by the FPS reimbursement rules to reduce any reimbursable contribution amount that is due under the FPS reimbursement rules by the Maximum Claim Excess amount but, to the extent that the full reduction cannot be made under the FPS reimbursement rules, the remainder is the "Maximum Hybrid Claim Excess" value.

- b) The proportion referred to under clause 5.6(a) is as set out under clause 5.5.

- 5.7. The Receiving PSP must pay the Reimbursable Contribution Amount to the Sending PSP within five Business days following the notification from the Sending PSP that the Reimbursable Contribution Amount is payable. At this point, the CHAPS (or Hybrid) APP scam claim will be considered as closed, but pending repatriation from the Receiving PSP.
- 5.8. The Receiving PSP and Sending PSP should agree on whether the Reimbursable Contribution Amount will be paid via CHAPS or FPS.
- 5.9. The Sending PSP must not submit a request for payment of the Reimbursable Contribution Amount either where:
- 1. The date and time of the request for payment of the Reimbursable Contribution Amount precedes the date and time that the Sending PSP provides the outcome of its assessment and confirmation that the Victim has been reimbursed;
 - 2. the CHAPS (or Hybrid) APP scam claim is not substantiated by data as per clause 5.3.

6. Repatriation of Victim's funds

- 6.1. If a Receiving PSP repatriates funds transferred pursuant to a CHAPS (or Hybrid) APP scam claim and holds it subject to an obligation to disburse the funds back to the Sending PSP to reimburse the Victim, clauses 6.2 and 6.3 shall apply, subject to any alternative instructions received from a court, regulator, law enforcement or disputes body.
- 6.2. If the Sending PSP has not paid the Reimbursable Amount to the Victim, all repatriated funds shall be transferred by the Receiving PSP back to the Sending PSP to reimburse the CHAPS relevant account of the Victim.
- 6.3. If the Sending PSP has paid the Reimbursable Amount to the Victim, the repatriated funds shall be apportioned as follows:
 1. to the Sending PSP, the CHAPS Reimbursable Amount calculated under clause 4.15, minus the CHAPS Reimbursable Contribution Amount calculated under clause 5.5 (or clause 5.6, as applicable).
 2. to the Receiving PSP, the CHAPS Reimbursable Contribution Amount calculated under clause 5.5 (or clause 5.6, as applicable).
 3. subject to any amounts due to the Sending PSP and Receiving PSP under the FPS reimbursement rules, any remainder to the Victim.

No party should receive back more funds than they paid out.⁵

- 6.4. Once the Receiving PSP has concluded all internal investigations and ascertained what repatriation is payable to the Sending PSP, it must:
 1. send the funds to the Sending PSP within three Business days of the Receiving PSP concluding all internal investigations and approvals; and
 2. notify the Sending PSP of the value of repatriated funds and the calculation performed pursuant to clause 6.3.
- 6.5. CHAPS (and Hybrid) APP scam claims will be considered dormant for a maximum of 13 months following payment of the Reimbursable Contribution Amount to allow for any repatriation of funds to be completed. After 13 months have expired, the CHAPS (or Hybrid) APP scam claim will be treated as closed without repatriation (instead of dormant).

⁵ Further advice and examples on repatriation, including partial repatriation, is included in Pay.UK Best Practice Guidance.