

# Bank of England

## Explanatory notes to support the CHAPS reimbursement rules

This document provides important context on the CHAPS reimbursement rules.

The CHAPS reimbursement rules are aligned with the [latest available FPS reimbursement rules](#) (v2.5, dated 3 September 2024) as well as the Payment Systems Regulator's [Specific Direction 21: CHAPS APP scam reimbursement requirement](#).

The implementation date is 7 October 2024.

Notable divergence from the arrangements for FPS are:

- Sending PSPs and Receiving PSPs should agree the payment system to be used for sending the Reimbursable Contribution Amount. Pay.UK require this to be via FPS.
- References to handling a 'hybrid' claim i.e. a claim with a mix of CHAPS and FPS payments. This scenario can arise but has not been covered in the PSR's legal instruments and therefore Pay.UK have not covered in the FPS reimbursement rules.
- There are no references to updating a central claim record – instead, the CHAPS reimbursement rules refer to provision of information bilaterally between the Sending PSP and Receiving PSP. This may include use of the UK Finance Best Practice System.
- Reporting will be via email to the Bank directly initially rather than via Pay.UK's system. Reporting will initially be based on Reporting Standard A only.

The CHAPS reimbursement rules are an annex to the CHAPS Reference Manual. The CHAPS Reference Manual and – in a separate file – the annex containing the CHAPS reimbursement rules are on the [CHAPS page of the Bank's website](#).

Updates in the final version published 2 October 2024 include maintaining alignment with the final versions of the FPS rules and the PSR's Specific Direction 21, as well as setting a maximum reimbursement amount of £85,000.

The Bank expects to update the CHAPS rules in due course when Pay.UK's system includes functionality to integrate management of CHAPS APP scam claims as well as in relation to reporting, monitoring and compliance.

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## CHAPS data and reporting processes

### Introduction

This document sets out:

- Reporting processes for Reporting Standard A and Reporting Standard B
- An assessment of proportionality.

This document should be read alongside the PSR's [CHAPS APP Scams Compliance Data Reporting Standard](https://psr.org.uk/publications/policy-statements/ps245-chaps-app-scams-compliance-data-reporting-standard) (CCDRS), available from: <https://psr.org.uk/publications/policy-statements/ps245-chaps-app-scams-reimbursement-requirement/>.

The CHAPS APP scam rules also contain provisions requiring Directed PSPs to provide certain data and information.

- Under Reporting Standard A, the PSR requires that PSPs must collate and retain all data and information contained within the CCDRS, and report this information to the Bank as the operator of CHAPS.
- When Reporting Standard B applies, all data within the CCDRS must be collated and retained by all Directed PSPs.

The CCDRS is effective from 7 October 2024. The PSR may update the CCDRS from time to time. Any changes would come into effect no sooner than 90 days after the PSR confirms them in writing.

### KPI/measures

The series of KPI/measures set out in the CCDRS cover – at PSP and claim level:

- Central reporting of claims.
- Assessment of claims by the Sending PSP.
- Interaction between Sending PSPs and Receiving PSPs including:
  - Sending PSPs sharing the assessment outcome.
  - Receiving PSPs paying the Reimbursable Contribution Amount.
- Reimbursement of Victims.

A **KPI** is an **absolute indicator** i.e. based on the information, a PSP has either achieved the reimbursement requirement or not. For example, where there is an upper limit specified as a number of days.

A **Measure** is a **relative indicator** of an outcome which is assessed relative performance over time (of a specific PSP over time as well as relative to the wider PSP population). What 'good' looks like will be determined over time, to the extent it is practical to do so given very low volumes of CHAPS APP scams.

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## **Reporting Standard A submission**

Reporting will be by calendar month, with reports due to be submitted by the last business day of the following month. The initial reporting period will, exceptionally, cover 7 October to 30 November 2024 and should be submitted by 6 January 2025.

Reports should only include those claims closed during the relevant calendar month reporting period.

From 7 October 2024, Directed PSPs should report using Reporting Standard A. This should be submitted on a spreadsheet monthly via email. PSPs will be asked to attest to the completeness and accuracy of the data provided.

Data submitted by Directed PSPs to the Bank, as the operator of CHAPS, under CCDRS should not contain any Personally Identifiable Information relating to consumers/service-users of PSPs.

## **Proportionality**

PSPs in-scope for CHAPS and FPS will need to register and submit data to Pay.UK for FPS. Preparing the same data for CHAPS as well does not represent a disproportionate burden.

Reporting Standard A is a limited set of information. We consider the approach to be proportionate for CHAPS – in part due to the low volumes of CHAPS APP scams. A Sending PSP does not need to report if it has not had a CHAPS APP scam claim in the relevant month – limiting the burden on smaller firms who may only rarely, if ever, have a CHAPS APP scam claim.

Adoption of Reporting Standard B should be straightforward – and not pose an additional burden as it will be extracted directly from RCMS.

## **CHAPS-only PSPs**

If there are any Directed PSPs who are CHAPS only, then we may – following discussion with the PSR – consider a model where these firms remain on Reporting Standard A on a permanent basis. This would be tied to an assessment of whether they should sign up for the RCMS and reported volumes.