



Consultation Response

Authorised push payment scams: The consumer standard of caution

Payment Systems Regulator (PSR)

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About this consultation

crucial that these standards are both comprehensive and compassionate, taking into account the varied experiences and challenges consumers face. We firmly believe that the burden of proof should fall on the PSPs to demonstrate

Introduction

Age UK welcomes the opportunity to give views on a new consumer standard of care that PSPs can expect consumers to meet to be eligible for APP fraud reimbursement. It is fundamental that the development of these new standards is based on the reality of victims' real-life experiences in which they believed they were acting appropriately at the time and places the burden of proof on firms to establish exceptional circumstances to the mandatory reimbursement requirement.

provision, we urge the PSR to clarify this guidance and establish an evaluation system to review the effectiveness of the deployed warnings.

Information sharing requirement: While we understand the need for consumers to respond to information requests from their PSPs, PSPs must ensure they are more proactive with their contact methods. Simply sending a letter and assuming it has been received is not sufficient. Many consumers may move residences without updating their addresses promptly or be away from their homes for a period of time. So, we urge the regulator to require PSPs to ensure the consumer has been contacted effectively. The financial _____, and it is unreasonable here for the burden to fall on the consumer to respond to all requests.

Furthermore, if it is not designed with accessibility in mind, the claim process could prove hard to navigate, leading to delayed response to information requests. The process should be as straightforward as possible, with clear instructions and support available for those

level of familiarity with digital platforms or the intricacies of financial systems. A process that might seem straightforward to some could be daunting to others. Therefore, PSPs should proactively offer guidance and assistance, ensuring that all consumers can navigate the process efficiently and in their preferred medium, regardless of their background or expertise.

Prompt reporting: We recognise the importance of promptly reporting any suspected APP scams, as this would help PSPs recoup the stolen monies. However, it is essential to understand that many victims, especially older individuals, may experience internalised stigma because

We firmly believe that the burden of proof should fall on the PSPs to demonstrate that a consumer has failed to meet the standards through gross negligence. PSPs have more expertise, resources, and information access than individual consumers. They are better equipped to gather evidence, analyse transaction patterns, and identify potential scams. Shifting the burden to consumers, who may lack the technical knowledge or resources to defend their actions, would be unfair and impractical.

The primary role of PSPs is to provide a safe and secure environment for consumers to conduct their financial transactions. For instance, if older victims constantly worry about proving their innocence in the face of scams, it undermines trust in the payment system. Posing the burden of proof on PSPs reinforces their responsibility to maintain a secure environment and protect consumers. Also, if PSPs bear the burden of proof, they have a stronger incentive to invest in preventative measures, such as advanced fraud detection systems and consumer education. This proactive approach is more effective in reducing scams than a reactive approach, which focuses on assigning blame after the fact.

Moreover, victims of scams often experience emotional trauma. Requiring them to prove their innocence adds to their distress. It is, therefore, crucial to approach such situations with empathy and understanding, recognising the emotional and psychological na, ana. I I

the future, leading to underreporting and a lack of crucial data that could help in fraud

of an APP scam, or where they are necessary under our ‘stop the clock’ policy? Please provide reasons for your answer.

Age UK deems that while consumers should cooperate with their PSPs, the process should be designed with the victim's well-being in mind. PSPs should ensure their information requests are reasonable and proportionate, and interactions should be handled with care and understanding. Additionally, clear guidelines should be provided to consumers about the information required, why it is needed, and how it will be used.

As we have already pointed out elsewhere, older people are often on fixed incomes, and any financial loss may harm their well-

irrelevant investigations, or prolonged complicated correspondents.
