

# Secure Payments Task Force Meeting

## Conference Call

### September 16, 2015, Meeting Summary

Gordon Werkema, Federal Reserve Payments Strategy Director, opened the Secure Payments Task Force (SPTF) call, announcing that the Federal Reserve recently appointed Todd Aadland as Payments Security Strategy Leader. Mr. Werkema noted that the Faster Payments Task Force (FPTF) recently finalized its decision-making framework that will be applied to FPTF work products requiring a super majority consensus of FPTF members. Mr. Werkema also mentioned that the FPTF continues to work on a number of major initiatives, including the effectiveness criteria for evaluating faster payment solutions as well as a detailed process for assessing such solutions. Mr. Werkema then introduced John Yanish, Deputy General Counsel, Federal Reserve Bank of Minneapolis, who reminded attendees to participate in a manner consistent with antitrust and other applicable laws

#### **Task Force Meeting Recap and SPTF Success Statements**

Barbara Pacheco, Senior Vice President, Federal Reserve Bank of Kansas City reported that 112 of the 175 SPTF members attended the August 25-26 meeting and shared the results of a survey sent to participants following the meeting to gather their perspectives on the value and relevance of the topics discussed, location and facilities, and need for additional education to supplement SPTF members' knowledge. Through the survey, SPTF members expressed their preference to continue holding small-group discussion sessions, but at the same time noted the importance of sharing relevant discussion points from these sessions with the full Task Force. Additionally SPTF members suggested having subject matter experts introduce and explain a complex topic prior to soliciting the SPTF's reaction to the topic.

Ms. Pacheco reviewed the hopes, fears, and success statements captured during one of the table top exercises at the August 25-26 meeting and asked participants on the call to indicate their general agreement with the success statements.<sup>1</sup> Roughly two thirds of voters indicated they would endorse the success statements as they are written, while approximately one third expressed that they would endorse the success statements with minor revisions. None of the voters expressed that they would not endorse the success statements.

#### **Faster Payments Effectiveness Criteria –Security Related**

Kylie Stewart, Financial Services Project Leader, Federal Reserve Board, provided an update on the faster payments effectiveness security criteria, noting the major themes that emerged during the criteria breakout sessions at the August 25-26 meeting. Ms. Stewart also shared the results of a survey asking SPTF members to grade the security criteria on importance and clarity. In response to a question, Ms. Stewart noted that the FPTF will discuss a potential revision to security criteria S.1 to be less prescriptive by placing less emphasis on credit push and debit pull and more emphasis on a general framework for risk management.

Ms. Pacheco noted that a SPTF Security Criteria Work Group (Work Group) was formed with about 40 volunteers from the SPTF membership, and led by Steve Mott, CEO,

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<sup>1</sup> See the [call discussion guide](#) for the success statements the SPTF considered during the vote.

BetterBuyDesign. The Work Group's objective is to refine the definitions, considerations, and effectiveness scale of a subset of the security criteria that ranked high in importance and generated substantial discussion at the August 25-26 meeting.<sup>2</sup> The Work Group agreed to produce a report by September 24, for review by the Steering Committee at its October 1-2 meeting.

### **Identifying Task Force Workgroups and Advising the Fed**

Ms. Pacheco presented a few of the ideas SPTF members generated at the August 25-26 meeting for potential SPTF workgroups to help address the priority topics in payment security. Ms. Pacheco also reviewed a proposed timeline for forming workgroups, noting that the Steering Committee will refine the potential workgroup ideas in October and make a recommendation to the SPTF on work groups ready for endorsement and others requiring more work in November. The SPTF may be in a position to begin launching workgroups in early 2016.

Ms. Pacheco noted that the Federal Reserve is compiling the ideas for Federal Reserve support of industry efforts to strengthen payment security, generated from a table top exercise during the August 25-26 SPTF meeting. The Federal Reserve plans to report back to the SPTF on this topic at the next in-person meeting in November. Ms. Pacheco also noted that the Federal Reserve is interested in getting feedback from the SPTF through an upcoming public request for comment on revising the Federal Reserve Payment Study survey instruments designed to collect more-detailed information on payment fraud in the industry.<sup>3</sup>

### **Engagement Planning, Education Needs, and Upcoming Meetings and Deliverables**

Connie Theien, Vice President, Federal Reserve Bank of Chicago, noted that the Federal Reserve is working on a task force and community engagement plan. Ms. Theien mentioned that, as part of this effort, the Federal Reserve is currently developing a document repository which will be used to store meeting materials and promote efficient collaboration among SPTF members. In response to a question, Ms. Theien noted that the engagement plan will provide a forum for Steering Committee members to engage with members of their respective industry segments. Ms. Theien then asked participants to provide feedback on their education needs through a polling tool and noted that the Federal Reserve would provide the SPTF with an update on education opportunities in the near future.

Mr. Aadland closed the call by presenting a schedule of upcoming meetings and future deliverables. Mr. Aadland also noted that the Federal Reserve plans to release a glossary of terms in the next week, which will provide a common language to members of both task forces and allow for more effective communication moving forward.

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<sup>2</sup> The working group will focus on criteria S.5 (fraudulent or erroneous payments), S.8 (security controls), S.10 (end user privacy), and S.11 (end user authentication).

<sup>3</sup> The public request for comment will be posted to the Federal Reserve Board's public [website](#) in October 2015.