

Call-Off Schedule 20 (Call-Off Specification)

This Schedule sets out the characteristics of the Deliverables that the Supplier will be required to make to the Buyers under this Call-Off Contract

HMRC Specification for the 2021

Merchant Acquiring Services, Merchant Acquiring Equipment and Payment Gateway Services Tender

(Internet Card Payment Services,
Telephone Card Payment Services
Point of Sale Services, Future Services)

Framework Agreement Reference: RM6118 - Face to face and Card Not Present (CNP) card acquiring, Gateway and APM Services (Lot 1)

Version 1.0

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Definitions and Acronyms

HMRC	Her Majesty's Revenue and Customs (HMRC)
Peak Periods	January and July of each year
Working Days	Working Day means Monday to Friday, excepting bank holidays in the pattern followed in England and Wales. Bank holidays applicable only in Scotland or only in N Ireland count as working days)
BIN	Bank Identification Numbers
CCS	Crown Commercial Services
CID	Client ID
HMT	Her Majesty's Treasury
IVR	Integrated Voice Recognition
MI	Management Information
MID	Merchant ID
OPS	Online Payment Service
PAN	Primary Account Number
PCI-DSS	Payment Card Industry Data Security Standard
RFI	Request For Information
TPS	Telephone Payment Service

1. **INTRODUCTION**
 - 1.1 Her Majesty's Revenue and Customs (HMRC) (the "Authority") has established a single Supplier Call Off for the provision of Merchant Acquiring Services.
 - 1.2 The duration of the Call Off Contract is sixty months (60), with a possible extension periods of two individual periods of twelve (12) months.
 - 1.3 The Call Off Start Date will be 14th February 2022. This is the point where all necessary testing will have been done and the Service is ready for operation.
 - 1.4 HMRC has called off the Crown Commercial Services (CCS) Payment Acceptance Framework (RM6118) specifically Lot 1: Face to face and Card Not Present (CNP) card acquiring, Gateway and APM Services.

2. BACKGROUND

- 2.1 HMRC is the UK's tax, payments and customs authority. We collect the money that pays for the UK's public services.
- 2.2 Our strategic objectives to help us achieve this, and become a world-class organisation, are:

Maximise revenues and bear down on avoidance and evasion.

Transform tax and payments for our customers.

Design and deliver a professional, efficient and engaged organisation.

- 2.3 Focusing on these objectives the Authority has procured Merchant Acquiring Services to facilitate the payment of taxes and other duties.
- 2.4 HMRC is a level 1 Merchant and processes transactions across three main channels:
- Online Payment Service.
 - Telephone Payment Service – for taking both agent led payments and Integrated Voice Recognition (IVR) payments. The current telephony platform is provided by Odigo with Nuance providing the IVR elements. PCI-Pal provide the PCI-DSS compliance for both the agent-led and IVR payments.
 - Physical Point of Sale Terminals – for paying duty at airports and ports. There are currently 45 terminals.
- 2.5 Annual Values and Volumes (April 20 to March 21: **REDACTED**)
- 2.6 HMRCs card payment peak periods correspond to tax due dates and are immediately before and after: **REDACTED**
- 2.7 HMRCs card payment Fraud Ratio is **REDACTED**
- 2.8 HMRC has its own internal payment page team.
- 2.9 HMRC only accepts corporate (business) debit and credit cards and consumer (personal) debit cards.
- 2.10 HMRC qualifies for VISA Me to Me programme.

3. CONTRACT PREREQUISITE

- 3.1 In accordance with the Framework Schedule 1 (Specification Appendix A) section 2.10, the Supplier must ensure a successful transition of service by working with HMRC's:
- current Online Gateway provider, Barclaycard;
 - current Telephone Gateway provider, Barclaycard, supported by 3rd party provider;
 - current Point of Sale Terminal provider, Barclaycard; and
 - HMRC's IT departments and HMRC's 3rd party IT Suppliers.
- 3.2 The Supplier will provide the Services as stated in Attachment 10 of the Framework Agreement (RM6118 Payment Acceptance) in addition to the HMRC-specific Requirements covered in Sections 4 to 28 below. Where there is a conflict between the Framework Services and the HMRC-specific Requirements, the latter will take precedence over the former.
- 3.3 The Supplier will ensure that their solution is both 'future-proof' and system agnostic to facilitate any transition to new internal systems or external Suppliers.

4. SYSTEM CAPACITY

- 4.1 The Supplier must have a clear understanding of HMRCs forecast profile for volumes and Peak Periods per Appendices A, B, C and E.

5. HMRC ONLINE PAYMENT SERVICE (OPS)

- 5.1 The Supplier will provide an Online Payment Gateway which covers the following:

- English and Welsh language pay pages, linked to the internet, to capture customer card details.
- Secure connection to the HMRC Payment Page for transaction authorisation and processing.
- Service internet pages, which are customisable to HMRC needs, for transaction authorisation and processing. Bespoke wording may be required on these pages.
- A web entry point that is customisable to HMRC needs.

- 5.2 The Supplier shall ensure that the following data is captured as part of every transaction:

- An order ID field will be passed from the HMRC gateway to the Supplier and these must be retained.
- Processed transaction data passed back to HMRC must also include this order ID.
- The Supplier will update HMRC's gateway with the order ID and the status of the payment (accepted, rejected, cancelled or declined) allowing HMRC's gateway to update the relevant screen for the customer.
- The Supplier must capture, as a minimum, the following fields as part of the payment process:
 - o cardholder name
 - o order ID / Sales information / Tax Reference
 - o amount (GBP)
 - o Primary Account Number (PAN, min 16 digits 19 max)
 - o CVV (3 digits)
 - o card expiry date
 - o billing address
 - o email address

6. HMRC TELEPHONE PAYMENT SERVICE (TPS)

- 6.1 HMRC is a Level 1 merchant with a PCI DSS Compliant Telephone Payment Service (including an IVR auto payments service) that uses call masking to ensure HMRC does not hold any card data on its estate.
- 6.2 The Supplier will integrate with this service and its suppliers to ensure HMRC continue to be fully PCI DSS compliant.

7. POINT OF SALE (POS) TERMINALS

- 7.1 The Supplier shall provide the required number of terminals as part of Implementation. The current locations can be found in Appendix H.
- 7.2 Post implementation, the Supplier shall provide the terminals on demand in accordance with the maximum lead times specified below:
- A replacement terminal for an existing business – 24 to 48 hours
 - A terminal for a new business – 5 Working Days.
- 7.3 On HMRC's notification, repairs or replacement of PoS terminals shall be carried out as soon as practicable and for any cases where a replacement terminal is needed, the new terminal should arrive no later than 48 hours after notification.
- 7.4 The Supplier must inform HMRC of the expected delivery date of any new or replacement terminals beforehand.
- 7.5 In the event that innovations in terminal technology (i.e. contactless payments) necessitate new terminals, the Supplier shall provide these free of charge.
- 7.6 The Supplier shall manage any HMRC terminal portfolios to ensure that accurate records are maintained and accessible at any time.

8. CUSTOMER TRANSACTION FILES

- 8.1 The Supplier will provide to HMRC each Monday to Friday, including Bank Holidays, accurate and complete banking industry standard transaction files, SWIFT, BAI, .CSV etc, containing all the transactions known as sales/purchases and refunds, processed since the last file was submitted:
- By 08:00 hours on working day 2 Monday to Friday, including Bank Holidays (T+1 where T is the transaction date); or
 - By 11.00 hours on working day 2 Monday to Friday, including Bank Holidays (T+1 where T is the transaction date) due to **exceptional** circumstances, where the Supplier has previously notified HMRC of any discrepancies or transmission issues by 08:00 hours.
- 8.2 The supplier must ensure the data supplied in the file is clean and usable immediately on receipt.
- 8.3 HMRC require enough information to match online and telephone transactions to HMRC records. As a minimum the Supplier shall ensure the files contains the following:
- Payment status
 - Transaction reference
 - Merchant ID/Client ID
 - Order ID/Sales information/Tax reference
 - Transaction amount (in pence)
 - Transaction date/time
 - Transaction number
 - Transaction type
 - Card Type
- 8.4 The Supplier will work with HMRC to ensure files are compatible with HMRC systems and provide an accurate picture of HMRC's Merchant receipts.

9. MID STRUCTURE

- 9.1 The Supplier must take account of HMRCs current structure Group, Company ID, (known as Chain) and Merchant ID (MID) and replicate it to provide HMRC with a clear view of revenue by business stream and where needed, site of operation e.g. a specific team or office may require its own identifier.
- 9.2 The structure must allow for frequent change during the contract. As HMRC moves more business to self-serve and digital platforms, changes to the structure are likely, so the Supplier must be ready to support that process.
- 9.3 Each MID and/or Chain must be linked to the required HMRC bank account for the business stream. *See Appendix G for HMRC's current MID structure.*

9.4 The Supplier must ensure that eligible HMRC MID's are registered with relevant Scheme discounts, for example the Visa Me to Me programme. HMRC will supply a list of the currently registered MID's as part of Implementation.

9.5 The Supplier shall manage any HMRC terminal portfolios to ensure that accurate records are maintained and accessible at any time.

10. CARD TYPES

10.1 HMRC only accepts card payments issued under Visa and Mastercard schemes. During the contract term, HMRC may consider accepting payments from other schemes and the Supplier will support HMRC to do so at no extra cost.

11. ONLINE AND TELEPHONE AUTHORISATION

11.1 The Supplier will offer a zero-floor limit and therefore authorise all transactions or authorise above and to a set limit as advised by HMRC.

11.2 Transactions will be undertaken by processing:

- Card details and CVV data in a non-3D Secure environment for TPS and PoS payments.
- Card details and CVV data in a 3D Secure environment, using all versions of 3DS for OPS payments.

12. BANK IDENTIFICATION NUMBERS

12.1 HMRC requires access to Bank Identification Number (BIN) ranges and numbers of card schemes in operation. These must be accurate and up to date as they allow HMRC the ability to identify individual card types and support HMRC charging the correct rate of commission, known as surcharge, for cards.

12.2 The Supplier must provide HMRC with an accurate and up to date BIN information files at the same time the BIN data is updated as part of the Online Payment Service (OPS) process. This data will be used by HMRC in the Telephone Payment Service (TPS) process and ensure both services are operating with the same BIN data.

12.3 HMRC card journeys will differ, dependant on the tax regime being paid. The Supplier will support a flexible model allowing HMRC to choose the card types it will accept, per tax regime, and apply any associated rules as required.

13. CARD COMMISSION

13.1 **REDACTED**

13.2 **REDACTED**

13.3 **REDACTED**

13.4 **REDACTED**

See Appendices D and E for indicative volumes and values for the different card types.

14. ONLINE TRANSACTION MANAGEMENT SERVICES

14.1 The Supplier shall provide HMRC with online transaction management services to enable HMRC to obtain a wide range of information. This will include, but is not limited to:

- summary transaction statements and advice at various structure levels and over various periods
- trend analysis by card type, channel or tax type
- risk analysis
- notifications, Referrals for Instruction (RFIs) and chargebacks or equivalents
- transaction searches at individual transaction level, and by a variety of criteria such as but not limited to:
 - o Group, Chain, MID (or equivalent)
 - o transaction type
 - o transaction reference
 - o transaction outcome
 - o amount (values from X to Y)
 - o card type (as applicable)
 - o authorisation code
 - o date ranges
 - o tax reference

14.2 The reporting system is capable of handling views and reports comprising tens of thousands of transactions per day, and downloads of the same.

14.3 HMRC must be allowed to administer user access set ups and needs a range of user roles to restrict views by business need.

15. MANAGEMENT INFORMATION AND PERFORMANCE

15.1 The Supplier shall provide monthly Management Information (MI) to HMRC. The expectation is this will be provided monthly to coordinate with the production of invoices for payment but HMRC may change this requirement through the life of the contract.

15.2 The following is an indication of the type of information required. Data may be required to cover annual, monthly, weekly or daily periods:

- volumes and values by card type
- volumes and values by Chain or MID
- volumes and values by scheme (Mastercard / VISA)
- individual charge rates by card type
- chargeback reports
- on-line transaction reports
- ad-hoc reporting by MID

15.3 In addition to the values and volumes MI identified above the Supplier shall provide a monthly Performance Pack data covering:

- achievement of Service Level Performance Measures (as per Schedule 14);
- details of live channels (MID) and volumes processed,
- authentication rates by volume and value,
- incidents, including status and priority level
- upcoming changes, including Authority and Supplier driven change
- innovations and
- risks.

The Performance Pack will be provided at least 5 days in advance of the monthly performance management meeting.

15.4 The Supplier is expected to provide customisable MI. There may be new MI requirements made through the life of the contract. New MI requests shall be discussed and agreed between both parties at the point they are identified. The Supplier shall implement these free of charge.

16. NOTIFICATION OF SCHEME CHANGES

16.1 Any Scheme led changes including but not restricted to Interchange and Scheme fees must be communicated in advance of their implementation. Notification shall be provided by email to HMRC in enough time (6 months' notice) and the Supplier must include a business impact assessment explaining how the changes will financially impact HMRC.

17. TRANSITION OF SERVICE AND IMPLEMENTATION

- 17.1 The Supplier shall outline their project methodology and approach to the transition of services from HMRC's current Supplier.
- 17.2 HMRC will provide their own internal resources to work with the Supplier to develop any necessary project plan for transition. Commitment to the project plan by both parties will be a pre-requisite of entry into delivery.
- The Supplier must work with HMRC's third party Suppliers in transition of services for Internet Gateway
 - Telephone Gateway
 - PoS Terminals.
- 17.4 The Supplier must distribute PoS terminals (not manual imprinters) with the required functionality.
- 17.5 The Supplier must deliver the PoS terminals, at no cost, at least 28 days before the commencement of service operations with HMRC.

18. TRAINING

- 18.1 In accordance with the framework, the Supplier shall offer training and support to HMRC on the use of their products, services and tools.
- 18.2 The scope of the training required will be discussed as part of Implementation.
- 18.3 The Supplier will ensure that all guidance and/or training documents are kept up to date, readily available to download online, available as hard copy upon request and are provided at no extra charge.

19. SETTLEMENT

- 19.1 Settlement is all receipts (sales/purchases) less refunds (repayments made back to card).
- 19.2 It is ESSENTIAL that the Supplier keeps settlement activities for HMRC separate from those for any other client.
- 19.3 Under no circumstances must settlement into HMRC's bank accounts be delayed or fail because of issues with another client's data. HMRC pay-over data must be kept in a separate stream from any other client.
- 19.4 **REDACTED**
- 19.5 Settlement into the agreed HMRC bank accounts must be made at the latest on Working Day 3, (T+2). T = Transaction date i.e. when customer makes payment (Working Day 1)
- 19.6 The Supplier shall:

- make settlement into the designated HMRC bank accounts no later than 10:00 hours each working day: earlier would be desirable.
- accommodate HMRC's requirements that settlement to be made at Chain/MID level to support the business stream view of revenue. See *Appendix G for current settlement level*. This to be discussed and agreed as part of the Call Off
- pay across the entire amount of receipts taken less refunds (repayments) made back to card.
- ensure there is no deduction of chargeback amounts from the settlement figures, these must be posted separately.
- inform HMRC (nominated person) by telephone immediately if pay-over of settlement is not possible, or will be significantly delayed, and confirm by email, detailing actions they will take to rectify the situation.

20. INVOICING

- 20.1 The Supplier shall utilise the Interchange ++ charging model.
- 20.2 All charges relating to the Services provided will be invoiced on a calendar month basis in arrears. Payments will be made against valid invoices within 30 days of receipt.
- 20.3 Invoices must clearly show the following:
- invoice period
 - total monthly charges by Chain by:
 - o scheme
 - o purchase
 - o refund
 - o other charges.
- 20.4 The Supplier shall provide one consolidated invoice per month that includes a:
- detailed statement of management information by Chain or MID; and
 - summary of charges by Chain or MID.
- 20.5 In addition to the invoice, HMRC requires a breakdown of data at Debit and Credit card level and payment channels in a format to be specified by HMRC. Current format is CSV data file and Excel Summary

The Invoice and breakdown of data should cover the following:

- Volumes i.e. Sales, Refunds
- Turnover i.e. Value of Sales, Refunds
- Fees – Charge Type i.e. broken down to Scheme, Interchange and Processing etc.
- Additional Fees – PoS Terminal Fees, Secure Customer Authentication, Gateway
- Credit or Debit charges

- Scheme types i.e. Visa, Mastercard
- Channel
- Chains/MIDs
- Debit or Credit Card
- Card type i.e. Consumer Debit, Commercial Debit (including pre-paid), Commercial Credit and Personal Credit
- Issuers Region i.e. UK Domestic, EU, Rest of World

20.6 HMRC reserves the right to settle invoices by BACS, Faster Payment, Direct Debit or CHAPS

21. CHARGEBACKS, REQUESTS FOR INFORMATION AND RETURNED REFUNDS

21.1 Chargebacks and Requests for Information (RFI)s should be actioned in line with the processes set by the card associations and established industry practices as determined by Visa and Mastercard.

21.2 The Supplier shall have a mechanism in place for dealing with chargebacks and RFIs. A secure electronic method is preferred.

21.3 The Supplier must apply a debit (accepted chargeback) or credit (reversed chargeback or a returned refund) to the (bank) account the original receipt was settled to – debit and credit arrangements to be agreed.

21.4 Where a chargeback is subsequently reversed or a returned refund (repay to card transaction) results in **a credit** being due to HMRC, the relevant credit should be remitted automatically and immediately to HMRC, without manual intervention being necessary by HMRC.

A returned refund credit must also be notified via the chargeback reporting process.

21.5 The Supplier shall support HMRC in identifying and understanding chargeback trends; recommending and implementing counter-measures where agreed.

22. HOURS OF OPERATION AND SUPPORT

22.1 HMRC's online services are in use 24x7, all year round so the Service shall be available 24x7 and shall not require downtime for maintenance purposes.

22.2 Support for the Service shall be required during Mon - Fri 08:00 to 18:00, with additional hours by arrangement for a few, exceptional, key business events. For example, the annual Self-Assessment deadline on 31st January sees volumes rising exponentially from late December up to first week of February. Ahead of this event, HMRC will discuss with the Supplier what additional support (if any) would be required during this period such as but not limited to having an on-call engineer available outside of business hours for the last few days of January/early February.

22.3 The Supplier shall provide an experienced support team able to take enquiries around the Authority's services. The team must be equipped to handle queries around:

- incidents

- alerts
- chargebacks/RFI's
- fraud prevention
- accounts
- invoices
- Merchant Acquiring Services
- Merchant Acquiring Equipment
- software
- escalation routes
- hardware.

22.4 This team must be in addition to any standard customer helpdesk available i.e. those handling general payer and customer enquiries.

22.5 The Supplier will be able to provide support by electronic means (e.g. email and/or on-line portal), where appropriate.

23. ACCOUNT MANAGEMENT

23.1 The Supplier will provide details of the senior managers responsible for the contract, account managers, day to day contacts and any other key staff.

23.2 The Supplier will have robust escalation and complaint procedures.

24. INCIDENT MANAGEMENT

24.1 The Supplier shall have a standard incident management process which assigns a priority level, expected response time and resolution time for each incident.

24.2 The Supplier shall notify HMRC of any failed or delayed settlement to HMRC's accounts. Notification must be electronic and sent to the relevant contact within HMRC immediately the Supplier becomes aware. In any cases of reconciliation discrepancy, the Supplier shall provide a reason for any non-settlement and all relevant details to HMRC, to assist in the early resolution of the discrepancy.

25. BUSINESS CONTINUITY

25.1 HMRC requires the Supplier to outline its approach to Business Continuity and how it intends to keep critical activities going in the event of an interruption to business. This will need to explain how it will ensure resilience to all types of incidents that may impact on the service provided to HMRC whether involving people, buildings, IT or Suppliers. Examples of such incidents might include power outages, network failure, cyber-attacks, pandemic.

26. CHANGE MANAGEMENT

26.1 Where HMRC requires a change or enhancement to be implemented, the Supplier will use the agreed Change Request Process. This will involve for each project, the

Supplier identifying and notifying HMRC of the personnel responsible and by submitting:

- a solution proposal,
- a rate card clearly explaining associated costs for planning, implementation, resources; and;
- a timeline from initial investigation to final entry into service.

26.2 Where the Supplier itself requires a change or enhancement to be implemented, the Supplier shall:

- advise HMRC in an appropriate time frame beforehand
- explain the reasoning for the change
- detail what, if anything, HMRC might be required to do, to accommodate the change
- give details of any system outages this change implementation may entail.

27. MAINTENANCE

27.1 The Supplier must outline their normal maintenance schedule to HMRC. They must notify HMRC at least 4 weeks in advance of any downtime for maintenance or implementation of new software/hardware in relation to the Service.

27.2 For any major changes to software/hardware, a longer timeframe may be required and agreed with HMRC beforehand to ensure HMRC's processing is unaffected. In all cases, HMRC Peak Periods must be avoided unless otherwise agreed with HMRC.

28. INNOVATION

28.1 Whilst there are prescriptive elements to the requirement, the Supplier shall offer innovative options which would improve the service and provide efficiencies in the processes at no additional cost to HMRC.

Appendix A

REDACTED

Appendix B

REDACTED

Appendix C

REDACTED

Appendix D

REDACTED

Appendix E

REDACTED

Appendix F

REDACTED

Appendix G

REDACTED

Appendix H

REDACTED