SCHEDULE 2.7

REVENUE COLLECTION AND PAYMENT

LOT 2

VERSION CONTROL

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SCHEDULE 2.7 – REVENUE COLLECTION AND PAYMENT

1 SCOPE

1.1 This Schedule 2.7 sets out:

(a) how the Revenue shall be collected by the Supplier and passed through the Payment Gateway via the Service System (which are provided by the Lot 1 Supplier);

(b) bank accounts to be used for Revenue receipts;

(c) obligations to investigate and resolve financial reconciliation issues to ensure the receipt by TfL of all Revenue due;

(d) the reporting obligations of the Supplier;

(e) obligations with respect to Refunds, Chargebacks and other payments to Customers; and

(f) the obligations of the Supplier to support the Lot 1 Supplier, including support with respect to the operation of the Payment Gateway provided by the Lot 1 Supplier.

1.2 Payments of Invoices have been excluded from this Schedule and are described in Schedule 7.1 (Charges and Invoicing).

1.3 Every income and item of expenditure if not explicitly stated shall be recorded and reported by income stream.

1.4 The role and responsibilities of the Supplier and the Lot 1 Supplier in relation to Payments and financial reconciliation activities are not included in this Schedule are set out in the Statement of Requirements (including Section 1.3.4 (Payments)).

1.5 The Supplier will carry out direct debits in accordance with the Statement of Requirements.

2 COLLECTION ACCOUNTS

2.1 The Supplier shall:

(a) account to TfL for all:

(i) Revenue collected by the Supplier; and

(ii) monies otherwise owing by the Supplier to TfL; and

(b) not exercise any right of set-off, counter-claim, withholding or deduction in respect of such monies under this Agreement or any other commercial arrangement with TfL. No waiver shall be permitted.

2.2 In accepting Payment, the Supplier is responsible for ensuring that no monies are transferred to and/or taken from a Collection Account as a result of fraud, theft or loss, whether caused by an act or omission of the Supplier or a member of Supplier Personnel.

3 CONTROL AND RECONCILIATION

3.1 Details of Remittances

(a) The Supplier shall:

(i) update its records on the Service System each calendar day before midnight in respect of each Collection Account, with details of:

(A) all Remittances (for that day) for all Payments taken by the Supplier (including Refunds);

(B) the income stream e.g. Application Fee for a PHV Licence/Licence Fee; and

(C) the type of Payment made by the Customer e.g. credit/debit card; and

(b) The Supplier shall:

(i) Upon identification by the Lot 1 Supplier resolve and clear all amounts held in any Suspense Accounts within four (4) weeks of the identification of such amount where the Supplier is responsible for the amount being credited to the Suspense Account; and

(ii) ensure that amounts held in any Suspense Account (as identified in the weekly reconciliation undertaken by the Lot 1 Supplier), are supported by a statement setting out for each of the corresponding receipts:

(A) the date of the transaction;

(B) the amount;

(C) any available details relating to the receipt; and

(D) the actions taken to reconcile with the relevant outstanding amount.

General Obligations

3.2 The Supplier shall maintain, in relation to each transaction, full transactional data for and on behalf of TfL and/or the relevant TfL Affiliate to a standard equivalent to the requirements of sections 386 to 389 of the Companies Act 2006;

3.3 Two days following the end of TfL's Financial Year, the Supplier shall provide to TfL and/or the relevant TfL Affiliate a report providing cumulative details for the year of the information required under paragraphs 4.1 and 4.2 above.

3.4 Overpayments shall be dealt with as TfL's Personnel may direct from time to time.

3.5 The Supplier shall ensure that there is consistency between all Reports provided to TfL pursuant to this Schedule.

4 DECLINED PAYMENTS AND MERCHANT ACQUIRER SERVICES

Declined Payments

4.1 The Supplier shall be responsible for ensuring that there are no Declined Payments and/or Chargebacks, whether caused by either:

(a) the Supplier or any member of the Supplier Personnel; or

(b) any other person, to the extent that such Declined Payment or Chargeback could reasonably have been avoided if it were not for the default, negligence or recklessness of the Supplier, Supplier Personnel and/or Sub-Contractors; or

(c) any other failure by the Supplier or a member of the Supplier Personnel to follow appropriate procedures in respect of the collection, authorisation and/or transfer of Payments.

The Supplier shall provide to TfL Reports detailing Declined Payments to include reason type on a periodic basis, or when requested by TfL.

Merchant Acquirer Services

4.2 The Supplier shall:

(a) follow the procedures relating to dealings with the Merchant Acquirer set out in:

(i) the relevant TfL Merchant Acquirer Agreement; and

(ii) this Agreement;

(b) perform the security checks:

(i) in accordance with the Statement of Requirements; and

(ii) as applicable to the relevant transaction, including:

(A) seeking successful payment authorisation from the Merchant Acquirer in respect of the Payments;

(B) conducting payment card authentication checks, including:

1) cardholder address verification; and

2) CVV2/CVC2 Code checks or equivalent that checks the additional numbers located on a Customer's credit card; and

3) for online payments ensuring Strong Customer Authentication (SA) is in accordance with the Payment Service Directive (PSD2) as enforced by the Financial Conduct Authority. Payment Gateway services must meet SCA regulation by implementing 3D Secure 2 (SDS2) authentication protocols.

4.3 In the event of failure of a single authorisation and/or security check the Supplier shall:

(a) not accept the Payment; and

(b) for such Customer, only allow one more attempt per day of another debit card or credit card authorisation and security check per Customer.

4.4 In the event that the Interface or service provided by any Merchant Acquirer is unavailable for any period, the Supplier shall follow:

(a) the Merchant Acquirer's authorised manual procedure, which may require the Customer to obtain direct authorisation by telephone call to the Lot 2 Supplier Contact Centre; and

(b) all necessary security procedures in relation to a manual process to maintain security in accordance with the Security Management Plan.

5 CURRENCY

5.1 All Revenue shall be paid to TfL or the relevant TfL Affiliate in pounds Sterling unless:

(a) TfL specifies that Revenue shall also be in, or replaced by, Euros (€) and has given the Supplier at least four (4) Weeks' notice of this; or

(b) the Supplier is required by applicable Law to pay the Revenue in Euros (€).

6 FINANCIAL REPORTING

6.1 The Lot 2 Supplier will provide reports, if required by the Lot 1 Supplier. Such Reports shall, without limitation to any other reports and Contract Records required by TfL in accordance with this Agreement, be provided in accordance with the provisions of paragraph 6.2 below and in such form as agreed by the Parties in writing.

6.2 The Supplier shall supply TfL with a pro-forma of each the following Reports for approval by TfL prior to each Report being developed and presented to TfL.

Contents of Reports:

Category	Report title and	Detail	Frequency	Output

	description:			
Financial Reporting	**Receipts Banked** Daily, Weekly and Reconciliation Period reports analysing all receipts banked by type. "**Other**" receipts must be described and, if required, itemised. Also, required annually at year end.	• Reporting period. • Full detail of receipt type • Collection Accounts. • Payment type • Refunds • Chargebacks • Overpayments • Goodwill Payments	• Daily (9am) • Weekly (Mon 9am) • Reconciliation Period end • Year end (2 days following year end)	Value
	Other Charges	• Ex Gratia payments (one-off manual cheque payments unrelated to specific transactions or that cannot be attached to specific items) • Chargeable Exception (charges not associated directly with hire listed by reason code)	• Periodic	Value

6.3 The above Reports shall be compiled in accordance with IFRS Accounting Standards and Accounting Policies.

6.4 The Supplier shall comply with all changes in accounting standards which are applicable to TfL Affiliates. Examples of changes in accounting standards, include changes in:

(a) applicable Laws;

(b) financial reporting standards;

(c) Chartered Institute of Public Finance and Accountancy (CIPFA) guidelines;

(d) reporting requirements set out by the Greater London Authority, or any successor body; and

(e) any other code of practice that is recognised by the Accounting Standards Board ("ASB") as a statement of recommended practice.

Changes in TfL Affiliates' Accounting Policies

7 The Supplier at no cost shall comply with any changes in the TfL Affiliates' own internal accountancy policies, to the extent requested by TfL. Any such request by TfL shall be made as a Required Change in accordance with the Change Control Procedure. For the avoidance of doubt, this paragraph 7 applies to any changes in TfL Affiliates' own internal accountancy policies only.

8 The Supplier shall maintain, in relation to each financial transaction, transactional data for and on behalf of TfL or the relevant TfL Affiliate (as applicable) to a standard equivalent to the requirements of sections 386 to 389 of the Companies Act 2006.