Candidate Booklet

To be issued to candidates on or after Thursday 15 March 2018.

Information

- The Preliminary Material is to be seen by teachers and candidates only, for use during preparation for the examination on Monday 11 June 2018. It cannot be used by anyone else for any other purpose, other than as stated in the instructions issued, until after the examination date has passed.

It must not be provided to third parties.
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Information and Guidance

1. On receipt of this booklet, you are advised to check carefully that it is complete and that no pages are missing or illegible. There should be 8 pages. If there are any problems you should consult your teacher.

2. The material contained in this booklet is provided for you to use in preparing for Section A of the INFO3 examination.

3. Prior to the examination, your teacher may give you assistance and advice to help you understand the content of this material.

4. You should use the time between receiving this material and the examination to familiarise yourself with its contents.

5. You are allowed to make comments or annotations on this copy of the material but you are not allowed to take this copy, or any other materials, into the examination.

6. A clean copy of this booklet will be provided in the examination with the INFO3 question paper and therefore there is no benefit from learning the contents by rote.

7. The INFO3 examination is on **Monday 11 June 2018** (morning session).
Interviewer: Good morning listeners, and welcome to this week’s edition of Near Tomorrows, the technology radio show. It’s an interesting programme today, starting with an interview with Michelle Cheeseman, Chief Information Officer of the PopUp Bank. You’ll be aware how the PopUp Bank has revolutionised banking – it’s been reported that the main banks will have to play catch-up if they’re to compete on the same terms. Michelle, you worked with PopUp from the start. Tell us about it.

Michelle: Thanks, and “Hello” to all your listeners. Really, the name PopUp Bank says it all. Apart from a head office that houses our technology and a call centre, we have no fixed premises. Instead, we use a wide variety of temporary premises, where staff are available for face-to-face meetings with customers. These pop-up “branches”, if I can call them that, are located in accessible, under-used buildings, such as village halls, community shops, churches and pubs. During the winter months we even hire the occasional cricket pavilion. As well as being convenient for our customers, these arrangements benefit communities by providing them with some unexpected income. As you know, it’s been very popular. All we need to operate is a couple of rooms for three or four days and a mobile signal.

Interviewer: So, what made PopUp decide on this approach?

Michelle: Well, we realised that many customers are happy to use internet banking but they sometimes need to talk face-to-face, particularly when major financial decisions are involved. The main banks are wasting money clinging to their high street branches; they’re often difficult to access, under-used, and some staff don’t have the level of expertise needed. We text customers to tell them the date and location of their next nearest PopUp session, and they can either book a meeting or just come in and chat.

Interviewer: I’m pleased you mentioned text. Is that your preferred method of communication?
Michelle: Yes. We text customers every time a transaction occurs, hopefully preventing them from becoming too overdrawn. Some customers say it’s intrusive but, hey, I’ve worked in other banks and seen the misery and despair that debt can cause. Just sending a text for every transaction is low cost for the bank and it can help customers understand and manage their finances so much better.

Interviewer: But surely banks make their money by encouraging debt and charging mega high interest? Isn’t PopUp going against this trend?

Michelle: I agree that many banks do little to prevent debt. But PopUp’s owners have a social conscience. Sure, they want to make money – that’s why they are in business. But they believe this can be achieved by using technology to provide an efficient and low cost service. Texting customers every time a transaction takes place helps prevent fraud, because customers will know immediately if fraudulent transactions are taking place – unless, of course, our fraud detection algorithms haven’t already blocked the account. Banking fraud is costly; if fraud can be reduced, then operating costs are reduced. No-one knows the true cost of banking fraud, because a lot of it isn’t reported. But it’s estimated that fraud involving payment cards, remote banking and cheques is running at a billion pounds a year and rising.

Interviewer: Thanks for that. Hmm, I’m pleased you’ve mentioned technology. Tell us about your systems. I’ve noticed that PopUp hasn’t been affected by the glitches that have affected other banks. You know the sort of thing – pay not received, customers unable to withdraw money, mortgage repayments not made, and so on. How have you avoided this?

Michelle: Simple really – we use new systems that are specifically designed to use current technology. We had no past customers to worry about and no legacy systems to hold us back. You know, many of the main banks still use the “green screen” systems developed decades ago; they’ve just stacked other systems on top to cope with internet and mobile banking. These multiple legacy systems result in many potential points of failure, hence the problems. We developed our new systems using all stages of the SDLC – sorry, the Systems Development Life Cycle. We felt this gave us the proven and understood process necessary for financial systems. Also, we’re using blockchain technology.
Interviewer: Yes, I’ve read several of your articles in the computer press about this. So why use it for PopUp?

Michelle: As your listeners will know, blockchain technology is no longer a mystical concept. It’s now reached a tipping point on the technology lifecycle. It’s ideal for financial transactions because these require traceability of payments across many different institutions. It cuts costs, reduces data duplication and speeds up transactions. Of course, standards will be needed before blockchain reaches maturity, but I believe its future use in banking is a certainty.

Interviewer: OK, moving on, can you describe a typical day in your working life?

Michelle: A typical day would be very boring. But I can tell you about an interesting day.

Interviewer: Go on.

Michelle: It was earlier this year, in March. I remember it well because we were all busy testing our revised systems and procedures in readiness for the GDPR – the General Data Protection Regulations. I was walking to work from the station and was stopped by a police cordon. Access was barred to the PopUp head office and other offices, and the buildings were being evacuated. A suitcase with wires hanging out had been found in a car park, and the police thought it might be a bomb. Thankfully, it was found to be just a suitcase of copper wire that someone had been collecting for scrap! Better safe than sorry, I suppose, but it did make me think about disaster recovery.

Interviewer: In what way?

Michelle: Well, PopUp was OK – we test our hot restart facility every two months and we were confident it would work. But others I spoke to – employees from other businesses – admitted they had no contingency plans at all and wondered if their employers could survive a major interruption to their computer services. I think they learnt a lesson that day.

Interviewer: I’d love to talk about the GDPR and how they differ from the Data Protection Act, but I’m afraid that’s all we have time for today. Perhaps you can come back on the programme later in the year to talk about that.

Michelle: No problem. Thank you.

END OF PRELIMINARY MATERIAL
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