

## Minutes

Meeting:	PSR Board	
Time & date of Meeting:	10.00 on 15 November 2023	
Venue:	Board Room 2.38	
Members Present:	Aidene Walsh David Geale Chris Hemsley Edward Knapp	Faith Reynolds Simon Ricketts Tommaso Valletti Joanna Whittington
In attendance:	Set out in Annex A	

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### 1 Apologies, quorum and declarations of interest

- 1.1 The meeting was noted to be quorate and proceeded to business.
- 1.2 No interests in the items to be discussed were declared.

### 2 Managing Director's report

- 2.1 Mr Hemsley briefed the Board on a number of topical issues. Discussion included reference to the following:
  - The High Court's judgment pursuant to a judicial review of the PSR, as it pertained to the PSR's application of s.108 of the Financial Services (Banking Reform) Act 2013 (FSBRA)
  - Scheme and Processing Fees Market Review - Interim Report
  - Update on Finality – the inaugural live payments in the first phase of this new regulated payment system had taken place
  - Future of Payments Review

### 3 FCA Update

- 3.1 Mr Geale briefed the Board on the business of the FCA that was of relevance to the PSR. Discussion included reference to the following:
    - Access to cash
    - Open banking
    - Safeguarding for payment and e-money firms
    - FCA work on APP fraud, cash savings and provision of banking services
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#### **4 Committee and Panel reports**

- 4.1 AuditCo (09/11/2023): The Board noted the report of the meeting held on 09 November 2023.
- 4.2 RiskCo (10/10/2023): The Board noted the report of the meeting held on 10 October 2023.
- 4.3 PSR Panel 2023 annual risk report: Dr Wandhöfer briefed the Board on the key risks considered by the PSR Panel. The Chair thanked Dr Wandhöfer for her leadership as the PSR Panel Chair in the past three years.
- 4.4 PSR Panel Board report (11/10/2023): The Board noted the report of the meeting held on 11 October 2023.

#### **5 APP Scams Mandatory Reimbursement Policy**

- 5.1 The Board was briefed on the responses to the four industry consultations conducted since the publication of the Policy statement in June 2023 introducing a new reimbursement requirement on Payment Service Providers (PSPs) in the Faster Payments Scheme (FPS) and the resulting proposed policy package.
- 5.2 The Board noted the proposed change in terminology in the Consumer Standard of Caution guidance from 'warnings' to 'interventions' and the consequential amendments to the notice and policy statement to ensure consistency in terminology.
- 5.3 Noting the feedback from the stakeholders, the Board discussed the proposed implementation date.
- 5.4 The Board supported the intention to conduct a post implementation review.

<b>Decision:</b>	<b>The Board approved the APP scams final policy package including:</b> <ul style="list-style-type: none"><li>• <b>issuing the final legal instruments using the PSR's statutory powers under sections 54 and 55 of the Financial Services (Banking Reform) Act 2013 (FSBRA) to give effect to the PSR's policy requirements;</b></li><li>• <b>proceeding using s.54 and s.55 FSBRA, rather than the Competition Act 1998 (CA98);</b></li><li>• <b>an implementation date for the policy of 07</b></li></ul>
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	<p><b>October 2024;</b></p> <ul style="list-style-type: none"> <li>• <b>Delegating authority to finalise the legal instruments to the Head of Policy.</b></li> </ul>
<p><b>Decision:</b></p>	<p><b>The Board approved the policies underpinning the supplementary guidance including:</b></p> <p><b><i>Excess and Maximum Level of Reimbursement</i></b></p> <ul style="list-style-type: none"> <li>• <b>providing Sending Payment Service Providers (PSPs) the option to levy a claim excess up to the maximum value of £100, which will not rise in line with inflation;</b></li> <li>• <b>setting the maximum level of reimbursement at £415,000, agreeing its application to all in-scope consumers, with no carve out for vulnerability and that it will not rise in line with inflation.</b></li> </ul> <p><b><i>Consumer Standard of caution</i></b></p> <ul style="list-style-type: none"> <li>• <b>amendments to clarify the policy intention as set out in the supporting paper;</b></li> <li>• <b>allowing a PSP to refuse reimbursement to non-vulnerable consumers in limited circumstances if the consumer does not consent to their case details being shared with the police, to help tackle scams.</b></li> <li>• <b>noting publication of the Consumer Standard of Caution guidance, subject to certain changes delegated to the Head of Policy and to Faith Reynolds.</b></li> </ul>

## **6 VRP Working Group blueprint – response & consultation**

- 6.1 The Board was briefed on the findings of the Working Group tasked with developing recommendations for enabling a phased rollout of non-sweeping Variable Recurring Payments (VRPs) and the PSR's planned response, including consulting on possible regulatory interventions on the commercial model and required level participation.

- 6.2 Discussion included reference to next steps in developing the commercial model and dispute resolution mechanisms, recommended positioning of the future consultation and engagement with sector regulators in relation to the core VRP use cases.

## **7 Assessment of emerging issues and implications for FY24/25 business plans**

- 7.1 The Board was briefed on the PSR's current assessment and prioritisation of the issues in the 'Pipeline' and 'Best Response' stages, which had been identified from horizon-scanning activities and from issues emerging within the PSR's existing work programme.
- 7.2 The proposed package of work for FY24/25 was discussed by the Board. It was noted that the package consisted of significant work that was identified most strongly aligned with the PSR's strategy.

<b>Decision:</b>	<b>The Board approved the proposed package of work for inclusion in the FY24/25 work programme.</b>
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## **8 FY23/24 Forecast position and FY24/25 Annual plan & budget**

- 8.1 The Board was briefed on the proposed FY24/25 work programme, budget and headcount, incorporating the proposed work package as presented by the Strategy and Intelligence Team in item 7.
- 8.2 Discussion included reference to the current reserves position, the spend level to date, resources, efficiencies and the timeline for submitting the budget to the FCA Oversight Committee for approval.
- 8.3 The Board noted that a business planning working session would be scheduled before the next meeting to provide the Board with a more detailed business planning package supporting the baseline budget.

## **9 Matters reserved to the Board**

### Decisions of the Board

<b>Decision:</b>	<b>The Board approved the minutes of the Board meeting held on 27 September 2023, including minor amendments.</b>
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Items for noting

- 9.1 Written Procedures: The Board noted the following decisions taken since the last meeting:
- a) Approval of the revised minutes of the meeting held on 24 July 2023
- 9.2 The Board noted:
- a) The PSR's application of the Senior Manager's Regime (SMR)
  - b) The proposal for conducting the Board Effectiveness Review 2023
  - c) The draft agenda for 17 January 2024
  - d) The draft forward agenda for 2024, currently in development

**10 AOB**

- 10.1 With no further business to discuss, the Chair closed the meeting.

**Aidene Walsh**

Chair

**Annex A: Attendees****Attending all, or substantially all, of the meeting:**

Kate Fitzgerald	Head of Policy
Alex Olive	General Counsel
Oliver Hanmer	Head of Supervision & Compliance Monitoring
Natalie Golding	General Counsel and Chief Operating Officer
Kim Turner	Private Secretary to the Managing Director
Sarah Day	Company Secretary

**Attending for the following items:**

<b>Item 1 – Declaration of Interests</b>	No attendees
<b>Item 2 – Managing Director’s report</b>	No attendees
<b>Item 3 – FCA Update</b>	No attendees
<b>Item 4 – Committee and Panel reports</b>	Dr Ruth Wandhöfer
<b>Item 5 – APP Scams Mandatory Reimbursement Policy</b>	Ben Woodside – Manager
<b>Item 6 – VRP Working Group blueprint – response &amp; consultation</b>	Andrew Self – Senior Manager Isobel Oxley – Technical Specialist
<b>Item 7 – Assessment of emerging issues and implications for FY24/25 business plans</b>	Simon Less – Senior Manager Matthew Cherry – Senior Manager Tessa Lydon-Skeggs – Senior Advisor
<b>Item 8 – FY23/24 Forecast position and FY24/25 Annual plan &amp; budget</b>	Natasha Pesaro – Manager
<b>Item 9 – Matters reserved to the Board</b>	No attendees