

Meeting Summary

6th Payment System Operator Delivery Group meeting

24 January 2017

Thomas More Square

Present: Robert Stansbury (Chair), Faith Reynolds, Russell Saunders, Becky Clements, Nick Caplan, David Rigney, Jane Bevis

Observers: Justin Jacobs, Dora Guzeleva

Minute taker: Sam Cope

Project team: Natalie Terrell, John Loveday

NPSO Design Criteria

The **PSODG** had an initial discussion of aspects of corporate governance, board structure and funding. The following 'direction of travel' was developed, to be further considered at future meetings:

- It was proposed that the NPSO would be limited by guarantee. It was envisaged that the guarantors would need to pay a small fee. There could be in the order of 50-200 guarantors – with a majority likely to be participants in payment systems.
- The NPSO board would be able to exercise decision making independently from the guarantors, but would be held account by the guarantors. This could be through, for instance, an AGM - which guarantors would attend to review the effectiveness of the board.
- The NPSO board would be made up of a combination of: 1) Executive directors; 2) Independent NEDs (including an independent Chair); 3) Industry NEDs.
- It was expected that there would be between 8 and 12 board members. The group would consider further what proportion of independent NEDs should be required.
- Each board member would have one vote, with the chair having the casting vote in the case of a split vote.
- The NPSO's purpose would be reflected in the company articles and the directors' contracts. As such, and bound by their fiduciary duty, the board would be driven to deliver on the NPSO's purpose and strategic objectives.
- The executive would have a good degree of autonomy (e.g. they could make significant financial decisions within tolerances agreed by the board).

- It was agreed that the NPSO would need to have a flexible funding model to enable a range of activities to be undertaken. On-going business as usual operation would likely be funded through a combination of a small membership charge and volume driven transaction charges. The PSODG noted the need to ensure membership charges did not create a barrier to entry for users.

It was agreed that further thinking would be undertaken to consider how users would be able to influence the decision making process of the NPSO. In particular, the PSODG asked its consultant to see what could be learnt from other sectoral models.

Stakeholder engagement

The chair noted that he would be attending the Payment Strategy Forum on the 30th January to provide an update on the PSODG's work to date.

The group also discussed the need for two other stakeholder events on the 7th February:

- A second meeting with the senior leadership teams of BPSL, C&CCCL, FPSL and UKPA.
- A round table with the members of the PSOs.

A.O.B and next steps

The next meeting would be on the 7th February.