

The Payment Systems Regulator Ltd

Minutes

Meeting:	PSR Board	
Time & date of Meeting:	15 March 2023 at 10.00	
Venue:	MS Teams / Board Room 2.38	
Present:	Aidene Walsh	Chris Hemsley
	David Geale	Faith Reynolds
	Tommaso Valletti	Simon Ricketts
In attendance:	Set out in Annex A	

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:
 - a) An update on the Card scheme fees and Cross Border Interchange Fees projects
 - b) The annual staff appraisal process

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:
 - a) Current market conditions
 - b) Regulatory reforms
 - c) HMT consultation on consumer credit

4 Committee and Panel Reports

- 4.1 PSR Panel Board Report: The Board noted the points raised in the report.

5 Joint Regulatory Oversight Committee Recommendations on the further development of Open Banking

- 5.1 The Board was briefed on the proposed plan and associated deliverables to unlock the potential quick wins and longer-term items, and to seek Board's opinion on the scope and direction of the proposed consultations.
- 5.2 The Board discussed the key messages of the plan including;
 - a) The vision and priorities to continue to develop Open Banking

- b) The long-term Regulatory Framework
- c) The likely role of the Future Entity

5.3 The Board recognised that end-users need to be represented in the governance framework of the Future Entity.

Decision:	The Board approved the publication of the Joint Regulatory Oversight Committee paper setting out recommendations on the further development of Open Banking
Decision:	The Board delegated final sign-off of the Joint Regulatory Oversight Committee paper, including edits to reflect the Board's comments, to the Managing Director and the Head of Policy.

6 PSR Annual Plan & Budget 2023/24

- 6.1 The Board was briefed on the development of the Annual Plan and Budget publication, including how the team responded to comments submitted by Board members.
- 6.2 The Board noted that the PSR were awaiting ministerial feedback to incorporate into the wording of the publication.

Decision:	The Board approved the publication of the Annual Plan and Budget and delegated final sign-off to the Chair and Managing Director.
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7 PSR Fees

- 7.1 The Board was briefed on the responses to the consultation proposing two changes to the PSR's Fee Policy.
- 7.2 The Board sought assurance that the current budget would remain unaffected by the special project fees.
- 7.3 The Board agreed to only include new Payment Service Operators within the new Fees Policy specifically in relation to their designation with the intention to conduct a fuller consideration of fees over the next 2-3 years.

Decision:	The Board approved the introduction of a minimum threshold for charging fees
Decision:	The Board approved the introduction of a special project fee for new, for-profit Payment System Operators
Decision:	The Board agreed to conduct a more comprehensive review of its Fees Policy over the next 2-3 years
Decision	The Board delegated final sign-off of the Fees Policy Statement to the Head of Policy, following engagement with Tommaso Valletti

8 Matters reserved to the Board

Decisions of the Board

- 8.1 Minutes of the last meeting: The Board reviewed the minutes of the Board meeting held on 18th January 2023.

Decision:	The Board approved the minutes of the Board meeting held on 18th January 2023, subject to minor amendment.
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- 8.2 Written Procedures: The Board noted the following decisions taken since the last meeting:

- a) the appointments of David Canavan, Clare Pearson, Christopher Ainsley and Otto Benz to the PSR Panel for a term of three years, from 1 March 2023 to 28 February 2026.
- b) the appointments of Ciaran O'Malley, Neira Jones and Stephen Wright to the PSR Panel for a term of two years, from 1 March 2023 to 28 February 2025.

Items for noting

- 8.3 Draft agenda for the next meeting: The Board noted the draft agenda for the PSR Board meeting on 17th May 2023.

9 Financial Reserves Policy

- 9.1 The Board was briefed on the current approach to reserves and heard recommendations for its development.
- 9.2 The Board endorsed the proposal to adopt a value-based approach and agreed that this should be reviewed annually for the next three years against the PSR's budget and needs as well as the Board's assessment of economic and risk circumstances.

Decision:	The Board approved to amend the PSR's reserves policy to a financial value-based approach and the accompanying financial value parameters
Decision:	The Board agreed to review the financial value parameters on an annual basis for the next three years
Decision:	The Board agreed the reserves level for FY 23/24 and accompanying risks.

10 Board effectiveness review 2022

- 10.1 The Board was briefed on the recommended actions developed in response to the outcomes of the 2022 Board effectiveness review. It was noted that a number of the recommendations represented work previously discussed and in train.
- 10.2 The Board discussed its ongoing capacity and skills requirements, aligned to the PSR's statutory objectives and the evolving payments ecosystem.
- 10.3 The Board noted that the Corporate Governance document would be updated as necessary, including the inclusion of the RiskCo terms of reference, once established. The Board agreed that Simon Ricketts would chair RiskCo in the first instance.

Decision:	The Board approved the recommended actions, developed in response to the outcomes of the 2022 Board effectiveness review.
Decision:	The Board agreed that Simon Ricketts would chair the PSR RiskCo, once established.

11 AOB

- 11.1 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
Natalie Timan	Head of Strategy Analysis and Monitoring
Kim Turner	Private Secretary to the Managing Director
Sarah Day	Company Secretary

Attending for the following items:

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| 5 | Andrew Self | Senior Manager – Regulatory, PSR – Policy |
| | Jeroen De Marteau | Manager – Regulatory, PSR |
| 6 | Alison Lyndon - Parker | Senior Manager – Regulatory, PSR |
| | Danielle Banaszak | Manager – Regulatory, PSR - Operations |
| 7 | Maria-Jose Barbero | Senior Manager – Regulatory, PSR - Policy |
| | Janet Duggan | Manager – PSR, Legal |
| | Amanda Ebourne | Manager – Corporate, PSR - Operations |
| 9 | Joe Genova | Head of Department, Finance |
| | Amanda Ebourne | Manager – Corporate, PSR - Operations |
| | Alison Lyndon - Parker | Senior Manager – Regulatory, PSR |