

# The Payment Systems Regulator Ltd

## Minutes

Meeting:	PSR Board	
Time & date of Meeting:	13 May 2020	
Venue:	Skype Meeting	
Present:	Charles Randell (Chair)	Chris Hemsley
	Simon Ricketts	Noel Gordon
In attendance:	Set out in Annex A	
Apologies:	Tommaso Valletti, David Geale	

### 1 Apologies, quorum and declarations of interest

- 1.1 The meeting was noted to be quorate and proceeded to business.
- 1.2 Apologies were received from Tommaso Valletti and David Geale.
- 1.3 No interests in the items to be discussed were declared.

### 2 Minutes of the meeting held on 18 March 2020

- 2.1 The minutes of the Board meeting held on 18 March were **approved**.

### 3 Matters Arising

- 3.1 The progress in respect of the matters arising from previous meetings was **noted**.

### 4 Committee reports: Internal Audit reviews: of the PSR's handling of complaints

- 4.1 The Board **noted** the Internal Audit review of the PSR's handling of complaints. The Board emphasised the importance of ensuring a smooth process for dealing with complaints which would allow for learnings to be incorporated going forward, and noted that to date the PSR had received relatively few complaints.

### 5 PSR Panel Update

- 5.1 The Board discussed the update on the Panel. Members considered that, when opportunities arose, there should be a better balance between users, in particular consumer representatives, and industry participants. They also noted that focus of the PSR had evolved since the PSR and the Panel was set up, and that the composition of the membership of the Panel should reflect this. As such, the Board reflected that the Panel should include representatives from the innovation space, merchant users and consumers, as well as maintaining a focus on diversity.
- 5.2 They noted that the Chair's term of appointment was due to end and the end of 2020 and considered that the incoming Chair should be able to provide broad experience across different payments issues, and represent differing views from across the Panel to

## PSR Controlled Distribution

ensure it provides strategic advice to the PSR. A sound understanding of Pay.UK and the New Payments Architecture would be helpful.

- 5.3 The Board considered that whilst the Panel's statutory function was to advise the PSR, further thought should be given to how the Panel's insights can also provide value to the FCA (including payments supervision and payments policy).
- 5.4 The Board **agreed** to the proposed approach to the structure of, and ways of working with, the Panel and welcomed a more diverse membership, including an increase in user and consumer representatives.
- 5.5 The Board also **noted** the PSR Panel report.

## 6 Enforcement Decisions Committee Chair's Annual Report

- 6.1 The Board **noted** the EDC Chair's Annual report.
- 6.2 The Board were advised that the EDC had yet to consider a case. The EDC Chair considered that this was largely due to the PSR still being a relatively young regulator and that the PSR had taken a constructive approach to engagement with industry on compliance and regulation, which had meant fewer enforcement cases being opened by the PSR, some of which might in time proceed (if contested) through to the EDC. The Board noted that the EDC members had been appointed in some cases as settlement decision-makers for investigations where enforcement action could be the subject of agreement.
- 6.3 The Board welcomed a further discussion to explore the PSR's risk appetite to enforcement action. Members noted that this was being done as part of a wider piece of work to join up enforcement with other informal and formal engagement with industry, and with the FCA to determine which organisation would be best placed to take action forward to ensure the best outcome was reached.
- 6.4 The Board noted that some EDC members, whose terms were coming to an end next year, had not been engaged in any case work. The Board agreed that it would not be an effective use of members' expertise to apply a presumptive limit to their membership in the usual way and that it could in principle be a more efficient use of resource, if these members' terms were extended.

## 7 Managing Director's report

- 7.1 Mr Hemsley briefed the Board on a number of topical issues, including:
- 7.2 Cash - the Board were advised that the immediate concern that COVID-19 would create a rapid disorderly financial crisis in the cash supply chain had largely passed, and attention was now focused on ensuring access to free to use ATMs remained for those in the most vulnerable locations. The Board noted that the PSR was closely engaging with LINK and other industry stakeholders on this issue. The Board emphasised the importance of the PSR acting promptly to prevent attrition in access to cash in a post-COVID-19 environment, particularly for those in vulnerable communities. The Board supported the PSR's approach to developing a robust plan with LINK to mitigate the risks and requested a further update at the next Board meeting
- 7.3 Pay.UK – The Board received an update on the Pay.UK tender process, progress on the project reset. The Board noted that Paul Horlock would be attending the next Board meeting and welcomed the close engagement to ensure that risks to the PSR's objectives were mitigated.
- 7.4 CA98 Investigation – The Board were updated on the ongoing investigation and progress on the Project Sky competition enforcement case.

**8 Evidence from the card-acquiring market review**

- 8.1 The team presented key pieces of evidence arising from the card-acquiring market review. The Board discussed the potential implications of this for the review and the PSR's future work programme.

**9 PSR Annual Report & Accounts 2019/20**

- 9.1 The Board welcomed the draft annual report and accounts and reflected that although the report was backwards looking (covering the period April 2019 to March 2020), it would be appropriate to contextualise the impact COVID-19 had on the last month of the reporting period on the relevant areas affected.
- 9.2 The Board were advised that the impact of COVID-19 on the PSR's financial status was largely out of scope for this set of accounts but that it would potentially be noted as a post-balance sheet event. The impact of COVID-19 in March 2020 was mostly the cost of providing additional equipment for staff to enable remote working as the lockdown started.

**10 PSR Stakeholder Engagement**

- 10.1 The Board noted the proposed approach to stakeholder engagement and asked the PSR on how often it had met with those identified on its stakeholder map. They were advised that senior staff, along with junior colleagues, had recently met many of the stakeholders identified and that further work was being done on creating a culture of positive and proactive engagement with the industry and its users to help staff throughout the organisation develop and – in turn - help the PSR be a more effective regulator.
- 10.2 The Board welcomed the 'digital first' approach set out by the team and emphasised the importance of creating a feedback loop to its processes and practices, and to make this a visible feature, to assure stakeholders that the PSR had listened to them. The Board also noted that the PSR was about to begin a refresh of its website with aims to include an active blog page.
- 10.3 The Board welcomed an annual update on the stakeholder map including how it had been covered in the PSR's engagement and how effective that had been.

**11 Items for noting**

- 11.1 The following papers were **noted**:
- a) ExCo minutes
  - b) Draft agenda for 17 June 2020

**12 Any other business**

- 12.1 With no further items of business to discuss the meeting closed.

**Charles Randell**  
Chair

## **Annex A: Attendees**

### **Attending all, or substantially all, of the meeting:**

Carole Begent	General Counsel & Head of Regulatory & Competition Enforcement
Louise Buckley	Chief Operating Officer and Head of Strategy
Genevieve Marjoribanks	Head of Policy
Allyson Milano	Assistant Company Secretary (Interim)
Simon Pearce	Company Secretary
Kim Turner	Private Secretary to the Managing Director
Ian Runacres	Private Secretary to the Chairman

### **Attending for the following items:**

<b>5</b>	Heather Kempton	Manager, Corporate Governance
	Matthew Cherry	Manager, Policy
	Toby Parker	Manager, Communications
<b>6</b>	Tim Parkes	DMC Member
	Mark Roberts	Manager, Corporate Governance
<b>8</b>	John Mowat	Manager, Policy
	Nicole Coates	Technical Specialist, Policy
<b>9</b>	David Godfrey	FCA Director, Finance
	Amanda Ebourne	Manager, Operations
<b>10</b>		
	Toby Parker	Manager, Communications
	Rachel Atkinson	Manager, Communications

Other relevant associates were also in attendance.