

The Payment Systems Regulator Ltd

Minutes

Meeting:	PSR Board	
Time & date of Meeting:	10.00 on 27 September 2023	
Venue:	Board Room 2.38	
Members Present:	Aidene Walsh David Geale Chris Hemsley Tommaso Valletti	Faith Reynolds Simon Ricketts Edward Knapp
In attendance:	Set out in Annex A	
Apologies:	Joanna Whittington	

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 discussions that the PSR had had with the Future of Payments Review team
 - The future of open banking
 - The approach to responding to Competition Appeal Tribunal requestsThe progress of the APP Scams work and consultations

3 PSR People Strategy

- 3.1 The Board was provided with an overview of the existing People Strategy and proposals to commence a targeted update of specific elements.
- 3.2 The Board sought assurance from the executive about a range of people issues including the evolving profile of the workforce and the impact of hybrid working.

- 3.3 In discussing the prioritisation of these specific elements recommended by the Executive, including Talent Management and unlocking greater cross-team collaboration, the Board emphasised the importance of including work on culture and values.
- 3.4 While recognising that the results of the 2023 Employee Survey were encouraging, the Board acknowledged the significant amount of organisational change that had taken place since then. It was noted that further changes were underway to enhance the employee experience.

Decision:	The Board approved the targeted update of specific elements of the existing People Strategy, with work to commence FY2023/24. This included work on the PSR's current culture and values which would be discussed more widely at a Board away day in November 2023.
Decision:	The Board agreed with the recommendation to comprehensively review the People Strategy when setting the next PSR Strategy in 2025.

4 CRO Report September 2023

- 4.1 The Board was presented with the biannual CRO Report which provided a second line of defence view of the PSR's key risks and the robustness of the organisation's ability to identify and manage risks.
- 4.2 Discussion included reference to the organisation's risk profile and the Board sought assurance in relation to the mitigations in place. The Board also reflected on the organisation's risk maturity and noted the work underway and the plan to continue to develop this.
- 4.3 The Board noted that the issues outlined in the CRO Report would form the basis of the agenda for the new Risk Committee, with its first meeting to be held in early October.

5 FCA Update

- 5.1 Mr Geale briefed the Board on the business of the FCA that was of relevance to the PSR. Discussion included reference to the following:
- Updates on access to cash
 - Safeguarding for payment and e-money firms
 - FCA work on APP Scams, Consumer Duty and Cash Savings
 - Updates on the provision of banking services

6 Committee Reports

- 6.1 AuditCo (14/09/2023): The Board noted the summary report.
- 6.2 PeopleCo (21/09/2023): Ms Walsh briefed the Board on the business of PeopleCo that was of relevance to the PSR.
- 6.3 The Board considered the re-appointments of two PSR Panel members for a period of three years from 1 October 2023 to 30 September 2026:
- Anne Pieckeleon – consumer representative
 - Jeffrey Moody – smaller business representative
- 6.4 The Board made reference to the ongoing engagement between the PSR and the PSR Panel to develop and maintain the Panel as an effective and valuable consultation mechanism for the PSR.

Decision:	<p>The Board approved the re-appointments of two PSR Panel members for a period of three years with effect from 1 October 2023:</p> <ol style="list-style-type: none"> 1. Anne Pieckeleon – consumer representative 2. Jeffrey Moody – smaller business representative
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7 Review of PSR's Penalty Statements

- 7.1 The Board was briefed on the proposal to publish a revised Penalty Statement and accompanying Response Paper following consultation on proposed changes to the PSR's Penalty Statements in March - April 2023.
- 7.2 The Board noted that the proposed penalty banding mechanism differed from that of the FCA but that this was appropriate given that it reflected the nature of the compliance failures that the PSR dealt with.

Decision:	The Board approved the proposed changes to the Penalty Statement.
Decision:	The Board approved the publication of the revised Penalty Statement.
Decision:	The Board delegated authority to the Head of Supervision and Compliance Monitoring for signing off the revised Penalty Statement and the accompanying Response Paper.

Decision:	The Board delegated authority to the Head of Supervision and Compliance Monitoring for making any minor consequential amendments to the PSR's 'Powers and Procedures Guidance', PSR's 'Guidance on the Interchange Fee Regulation (IFR)' and the guidance entitled 'Payment Services Regulations 2017 – the PSR's approach to monitoring and enforcement' that are necessary and flow from the changes to the Penalty Statements.
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8 PSR Business planning 2024/25

- 8.1 The Board was briefed on the approach in relation to the FY24/25 work programme.
- 8.2 Discussion included reference to the current spend position, against the 23/24 budget.
- 8.3 The Board recognised that the development of the next year's budget would be informed by the current projects underway, delivery of external commitments and prioritisation of activities arising from the horizon scanning work (e.g. digital identity). The Board requested a working session so it could consider these issues further.

9 Board effectiveness review: further update

- 9.1 The Board was briefed on the status of the actions arising from the 2022 Board effectiveness review plus the recommended amendments to update the PSR's Corporate Governance Document.
- 9.2 The Board considered the issues to be picked up as part of the planned broader review.
- 9.3 The Board noted that the induction training being offered to the newly appointed NEDs would also be made available to all NEDs.

Decision:	The Board approved the updates to the Corporate Governance Document as presented and agreed that the Corporate Governance Document be reviewed on a biennial basis going forward.
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10 Matters reserved to the Board

Decisions of the Board

Decision:	The Board agreed that the minutes of the Board meeting held on 24 July 2023 would be approved via written procedure.
Decision:	The Board approved: <ul style="list-style-type: none"> • the term extension for the Enforcement Decisions Committee Chair by 9 months, to 30 September 2024 • the final list of CDC appointments, noting an update on the appointment process

Items for noting

10.2 Written Procedures: The Board noted the following decisions taken since the last meeting:

- Board effectiveness review: follow up
 - Approval of the terms of reference to operationalise the Risk Committee
 - Approval of the appointment of the following initial members of the Risk Committee, with immediate effect:
 - Simon Ricketts (Chair)
 - Aidene Walsh
 - David Geale
- Approval of the minutes of the meeting on 28 June 2023
- Approval of the appointment of Competition Decisions Committee (CDC) members for an initial three-year term (subject to completion of associated regulatory checks).
- Approval of the appointment of Edward Knapp as a member of the Risk Committee, with effect from 18 September 2023.

10.3 The Board noted:

- a) the minutes from the Executive Committee meeting on 1 August 2023
- b) the draft agenda for the PSR Board meeting on 15 November 2023

11 AOB

- 11.1 Financial Services and Markets Act 2023: the Board was briefed on the requirement for the PSR to develop a statement on its approach to keeping 'generally applicable requirements' under review and that this would be submitted to a future Board meeting for approval.
- 11.2 The Chair thanked Natalie Timan for her contribution during her tenure as the Head of Strategy and Intelligence.
- 11.3 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
Alex Olive	General Counsel
Oliver Hanmer	Head of Supervision & Compliance Monitoring
Natalie Golding	Chief Operating Officer
Kim Turner	Private Secretary to the Managing Director
Sarah Day	Company Secretary

Attending for the following items:

Item 1 – Declaration of Interests	No attendees
Item 2 – Managing Director’s report	Chris Hemsley – Managing Director
Item 3 – PSR People Strategy	Diane Pinto – Senior Manager
Item 4 – CRO Report September 2023	Alison Lyndon-Parker – Senior Manager
Item 5 – FCA Update	No attendees
Item 6 – Committee Reports	No attendees
Item 7 – Review of PSR’s Penalty Statements	Mark Thynne – Senior Manager
Item 8 – PSR Business planning 2024/25	Natasha Pesaro – Manager
Item 9 – Board effectiveness review: further update	Sarah Day – Technical Specialist
Item 10 – Matters reserved to the Board	No attendees