

# The Payment Systems Regulator Ltd

## Minutes

Meeting: PSR Board  
Time & date of Meeting: 19 May 2021  
Venue: Microsoft Teams

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Present: Charles Randell (Chair) Simon Ricketts  
David Geale Tommaso Valletti  
Chris Hemsley Aidene Walsh

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. Apologies for absence had been received from Faith Reynolds
- 1.2 No interests in the items to be discussed were declared. The Secretariat was asked to circulate the declared interests of Faith Reynolds prior to the next meeting of the Board in order that any conflicts of interest could be approved.
- 1.3 The Chair briefed the meeting on the FCA's plans to publish on its website certain information relating to the financial interests and other positions held of members of its Board and Executive Committee. It was agreed that the PSR should make similar disclosures and the Secretariat was requested to provide members with draft disclosures for approval

### **2 Managing Director's report**

- 2.1 Mr Hemsley briefed the Board on a number of topical issues, including:
  - a) Access to Cash – a number of announcements had recently been made, reflecting the ongoing work with the FCA and HM Treasury. It was noted that the Government is due to consult on relevant legislation and the FCA and PSR had issued a joint statement of their expectations of firms prior to legislation taking effect.
  - b) Open Banking – discussions with the Competition and Markets Authority regarding the future regulatory framework for Open Banking
- 2.2 The Board discussed the project status report and requested that clearer deadlines be identified for each project.

### **3 FCA Update**

Mr Geale briefed the Board on the business of the FCA that was of relevance to the PSR.

### **4 PSR Annual Report & Accounts**

- 4.1 The Board was presented with a draft of the Annual Report & Accounts for 2020/21. The Board reviewed the draft and made comments to be incorporated into the subsequent draft.
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- 4.2 The Board agreed to delegate further drafting and editing to the PSR project team and PSR SLT, with an interim written procedure in early June and then a final copy for sign off on 23 June.

<b>Decision:</b>	<b>The Board agreed to delegate further drafting and editing to the PSR project team and PSR SLT, receiving a final copy for sign off on 23 June</b>
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## 5 **Cryptoassets in payments: an overview**

- 5.1 The Board was briefed on developments in the use of cryptoassets in payments, including those that have the potential for widespread use. The Board noted that stablecoins had the greatest potential for widespread use and that two systems were advanced in their development.
- 5.2 The Board discussed the risks associated with cryptoassets. It was seen as particularly important to ensure that there was effective liaison between the PSR, FCA, Bank of England and HM Treasury to ensure that the regulatory landscape was co-ordinated.

## 6 **PSR Panel**

- 6.1 The Board welcomed the Chair of the PSR Panel to the meeting. A wide-ranging discussion about the Panel, its views on the key payment issues including access to cash and open banking, and the PSR's role and strategy followed. The Panel Chair urged the executive to engage the Panel on key publications, such as the Strategy, prior to publication.
- 6.2 The diversity of the Panel's membership was discussed and the Board emphasised the need to focus on this as new members are introduced, whilst recognising the challenge of doing so in an industry that is itself not particularly diverse at senior levels.

## 7 **Responses to consultation on de-risking NPA delivery**

- 7.1 The Board was briefed on the outcome of the consultation on the delivery and regulation of the New Payments Architecture (NPA) while noting that analysis of the consultation responses was ongoing and that the Board would be asked to make a decision at a subsequent Board meeting. There was a broad consensus amongst respondents that the delivery of the programme should be de-risked, although there were differing views as to how that should be achieved.

## 8 **Chief Risk Officer's Report – May 2021**

- 8.1 The Board received a report highlighting the current assessment of the external and internal risks affecting the PSR, together with the broader risks impacting payments. The report also described the mitigations of the risks and an assessment of how the first line was managing risk. The team explained to the Board how scanning for risks was embedded within the organisation and how the risk management approach supported the statement of assurance that would be provided to the Board prior to the signing of the Annual Report.
- 8.2 The Board noted that there were some very significant disruptive risks including the degree of concentration in the supply side of payments. The Board encouraged the team to undertake scenario planning to understand the impact of significant failures and to work closely with the FCA and Bank of England with such planning.
- 8.3 The team drew the Board's attention to the request from the Audit Committee that overdue actions around risk tolerances and appetites be considered by the Board and an update provided to the Committee at a following meeting. The team explained that the executive had taken the decision to de-prioritise the work around developing the PSR's risk appetite and tolerances and had focused resources instead on improving first-line management of

risk and other initiatives. The executive had agreed instead to aim to start the work in September 2021 with implementation and embedding planned for the 2022/23 financial year. The Board accepted this decision but stated that the work should have identified milestones, with progress against each reported to the Board.

## **9 Minutes and matters arising**

- 9.1 The minutes of the meeting of the Board held on 17 March 2021 were approved.
- 9.2 The progress in respect of the matters arising from previous meetings was noted. The Board approved the actions proposed for closure.

## **10 Committee Report**

- 10.1 The Chair's report from the meetings of the Audit Committee on 2 March 2021 and 12 April 2021 and the meeting of the Joint Audit and FCA Risk Committee on 15 April were noted.

## **11 Item for decision: Decision making committee member terms**

- 11.1 The Board approved the proposal to:
  - a) extend the terms of the Enforcement Decisions Committee (EDC) Chair, Deputy Chair and two other members (Caroline Ramsey and Kevin Brown) to 31 December 2022;
  - b) extend the EDC and Competition Decisions Committee (CDC) terms of Malcolm Nicholson, Robin Mason and Philip Marsden to 31 July 2022.

## **12 Items for noting**

- 12.1 The following papers were **noted**:
  - a) the Annual Report of the Chair of the EDC
  - b) the minutes of the meetings of the Executive Committee held on 2 March 2021, 16 March 2021 and 30 March 2021.
  - c) draft agendas for the PSR Board meetings on 23 June 2021 and 14 July 2021.

## **13 Any other business**

- 13.1 There being no further business, 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
Simon Pearce	Company Secretary (FCA)
Kim Turner	Private Secretary to the Managing Director
Ian Runacres	Private Secretary to the Chairman (FCA)
Hazel Hepworth	Professional Business Support, Central Secretariat (FCA)
Nese Riza	Professional Business Support, Central Secretariat (FCA)

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

<b>4</b>	David Godfrey Amanda Ebourne	Director, Operations (FCA) Manager, PMO Risk, Operations
<b>5</b>	Nick Davey	Technical Specialist, Policy
<b>6</b>	Ruth Wandhofer	PSR Panel Chair
<b>7</b>	Janet Duggan Gala Poole Ian Ellis	Manager, Legal Manager, Policy Technical Specialist, Policy
<b>8</b>	Matthew Cherry Jane Gosling	Manager, Policy Manager, COO's Office

\*Relevant associates and other professional business support staff were also in attendance.