

The Payment Systems Regulator Ltd

Minutes

Meeting:	PSR Board	
Time & date of Meeting:	22 January 2020	
Venue:	12 Endeavour Square, London	
Present:	Charles Randell (Chair)	Chris Hemsley
	Amelia Fletcher	Noel Gordon
	Christopher Woolard	
In attendance:	Set out in Annex A	
Apologies:	Nick Stace	Andrew Bailey
	Simon Ricketts	

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 Nick Stace, Simon Ricketts and Andrew Bailey.
- 1.3 No interests in the items to be discussed were declared.

2 Minutes of the meeting held on 15 November 2019

- 2.1 The minutes of the Board meeting held on 15 November were **approved**.

3 Matters Arising

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

4 Committee reports: December Audit Committee

- 4.1 The Board noted the minute of the December Audit Committee.

5 Managing Director's report

- 5.1 Mr Hemsley briefed the Board on a number of topical issues, including:
- 5.2 *Authorised Push Payment (APP) scams*: discussion on the funding model were on-going with issuing banks and Pay.UK on residual issues, including funding, no-blame cases and ensuring the Code is properly enforced.
- 5.3 *Cash*: progress was being made on the PSR's work on cash.
- 5.4 *LINK Network*: an update on the recent call for input.

6 New Payments Architecture (NPA) Pre-brief with Bank of England

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- 6.1 The Board discussed the priorities of the NPA project with the Bank of England representatives and agreed key issues to discuss with Pay.UK, including a focus on resilience, for the end platform as well as the transition and the scope and timing of the NPA project.

7 Regular Pay.UK/NPA Update

- 7.1 The Board **received** an update from Pay.UK on the progress of the NPA.
- 7.2 The Board and Bank of England emphasised the need to implement the NPA smoothly and effectively to deliver the best solution at value for money.
- 7.3 The Board discussed the role of the Pay.UK Participant Advisory Council. This facilitated engagement on key issues with market participants as the programme progressed to provide support and continue building trust and relationships with participants. The council was independent from the Pay.UK Board, would not have decision-making powers, but provided transparency and an opportunity to input views and insights as the NPA developed. This complemented the work of the End-User Advisory Council which was maintained separately.
- 7.4 The Board discussed the programme reset, in particular issues around scope and work options. Pay.UK confirmed that relevant participants had been consulted and input would also be sought from the PSR and the Bank of England before a decision at Pay.UK Board was taken. The Board noted the importance of mitigating execution risk as far as possible.

8 PSR Annual Plan

- 8.1 The Board discussed the development of the 2020/2021 Annual Plan and Budget proposals.
- 8.2 The Board noted it had previously requested further cost savings and efficiencies reflected in the budget. The senior leadership team had reflected on how it realised the full potential of its headcount and had highlighted a number of areas that would provide long-term efficiencies and/or cost savings, in particular in reviewing project and programme management now that the organisation has matured.
- 8.3 The Board suggested the PSR reflect any items of significant importance in ongoing development of the Annual Plan and Budget that arose from the PSR's annual strategy session.
- 8.4 The Board were advised on the flexible nature of the proposed plan and that projects suggested for the latter half of 2020 were not committed and that there are a number of choices to be made, which will come back to the Board for decision as appropriate. It was agreed that the Executive would engage with the Board at an early stage of any significant optional projects and workstreams to provide assurance on scope and spend and reflect Board input on outcomes that should be delivered.
- 8.5 The Board encouraged the PSR to ensure value for money against delivered outcomes. The PSR noted that resource would be utilised throughout the year against the framework in the plan.
- 8.6 The Board **approved** the following decisions:
- a) The approach to contingency planning, driving efficiency and cost savings
 - b) The key messages and overarching structure of the Annual Plan

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- c) That the draft Annual Plan and Budget publication be circulated to the Board in February for comment by written procedure, with a teleconference meeting arranged for any detailed discussion if necessary.

9 Draft 2020 to 2022/23 Three-year strategic PSR Internal Audit Plan

- 9.1 The Board received the update on the Internal Audit strategic plan and discussed the proposed reviews.
- 9.2 The three-year plan aimed to set out the next three years' audit plans on what reviews would be needed based on the current risk appetite. The PSR committed to two audit reviews per year where resources allow. The Audit Committee would be asked to formally approve the plan at its March meeting.
- 9.3 The Board reflected that as the PSR has had a very minor amount of complaints to date, a review on the complaints procedures was not the best use of resource. Instead the PSR would take lessons learnt from the FCA.
- 9.4 The Board agreed that a broader review of the PSR's project management models in year one would provide added value, as well as bringing forward the review on the effectiveness of the shared services between the PSR and FCA. The Board also noted that a review on the use of contractors and advisers and, in year two or three, the effect on cost synergies would be beneficial.

10 The PSR's Prescribed Persons Annual Report

- 10.1 The Board received the Prescribed Persons Annual Report and **agreed** to its publication, as required under the Prescribed Persons (Report on Disclosure of Information) Regulations 2017.

11 PSR Panel Report

- 11.1 The Board **noted** the PSR Panel report, including the account of Mr Randell's engagement session with the Panel at the previous meeting, and discussed how best the Panel could add value to the work of the PSR.

12 Decisions requested of the Board:

- 12.1 Revised AuditCo Terms of Reference
 - a) The Board **approved** the changes to the Terms of Reference to the Audit Committee.
- 12.2 Revised Conflicts of Interest Policy
 - a) The Board **approved** the revised Conflicts of Interest Policies for the Decision-Making Committees and the Independent Panels.
- 12.3 Board Effectiveness review and Board CPD
 - a) The Board **noted** the progress against the recommendations of the 2018-19 Board effectiveness review and **approved** the proposal for the 2020 Board effectiveness review.
 - b) The Board **approved** the proposal to design and implement a CPD programme for Board members.

13 Items for noting

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13.1 The following papers were **noted**:

- a) Interchange Fee Regulation - Annual Update
- b) Overview of PSR's Enforcement Work
- c) ExCo minutes
- d) Draft agenda for 18 March 2020
- e) Forward agenda

14 Any other business

14.1 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 Regulatory Policy
Allyson Milano	Assistant Company Secretary (Interim)
Simon Pearce	Company Secretary
Kim Turner	Executive Assistant to the Managing Director
Ian Runacres	Private Secretary to the Chairman

Attending for the following items:

6	Gala Poole	Manager, Policy
	Simon Morley	Bank of England
	Justin Jacobs	Bank of England
7	Gala Poole	Manager, Policy
	Simon Morley	Bank of England
	Justin Jacobs	Bank of England
	Paul Horlock	(Pay.UK)
	Matthew Hunt	(Pay.UK)
8	David Godfrey	FCA Director, Finance
	Anita Kelly–Metelewa	Manager, Strategic Programme Delivery
	Toby Parker	Manager, Communications
9	Neil Whalley	FCA Head of Department, Internal Audit

Other relevant associates were also in attendance.