

The Payment Systems Regulator Ltd

Minutes

Meeting:	PSR Board	
Time & date of Meeting:	15 November 2019	
Venue:	12 Endeavour Square, London	
Present:	Charles Randell (Chair)	Chris Hemsley
	Simon Ricketts	Amelia Fletcher
	Christopher Woolard	Andrew Bailey
	Nick Stace	
In attendance:	Set out in Annex A	
Apologies:	Noel Gordon	

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 Noel Gordon.
- 1.3 No interests in the items to be discussed were declared.

2 Minutes of the meeting held on 20 September and 4 October 2019

- 2.1 The minutes of the Board meeting held on 20 September and 4 October were **approved**.

3 Matters Arising

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

4 Committee reports: September Audit Committee

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

5 Managing Director's report

- 5.1 The Board received the Managing Director's report and noted the following:
- 5.2 The PSR was observing Purdah due to the upcoming general election. The Board noted that this had not affected any ongoing projects or planned publications.
- 5.3 The Board received an update on Authorised Push Payment (APP) scams and the announcement by Pay.UK. to reject the proposal for a change request for Faster Payment Service Direct participants. The PSR was working with Pay.UK to find an alternative solution.

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- 5.4 The Board discussed the direct debit FM switching project and the issues raised by it, including the governance of proportionate sanctions.
- 5.5 The Board discussed the PSR's work on monitoring LINK's commitments.

6 PSR Annual Plan 2020/21

- 6.1 The Board discussed the annual plan. To reach the baseline budget proposed, the Board noted that projects had been costed on a bottom-up basis and that one-off costs incurred in the previous year relating to senior staff changes had been removed from this year's budget.
- 6.2 The Board welcomed the proposed efficiency gains from the PSR continuing to work closely with the FCA. It also recognised that cost savings and material efficiencies would increase with the upcoming stability and increased experience amongst staff.
- 6.3 The Board noted that a number of planning assumptions had been made where there was uncertainty. The PSR would be able to make good progress against its ongoing work within the resource envelope and would bring options to the Board on discretionary work as this arose. The Board encouraged the PSR to create further contingency so it would be able to deal effectively with any unforeseen events.
- 6.4 The Board discussed the various options proposed for discretionary projects that the PSR could undertake in the next planning year. The Board requested that, as the strategy is developed, the PSR consider the impact of longer-term projects and where the PSR might be in the next three years.
- 6.5 The Board **approved** the following decisions:
 - a) The proposed work programme and planning assumptions for 2020/21;
 - b) The proposed recommended budget and approach to managing uncertainty, subject to providing further contingencies and cost savings at the next Board meeting.

7 NPA Project Update

- 7.1 The Board received the update. They emphasised the importance of having clarity on the timescales, scope and intentions of the project and noted the public document that was due to be published which would aim to provide this detail.
- 7.2 The Board noted the continued engagement with the Bank of England to explore where objectives overlap and ensure consistent messages are given, and with Pay.UK at working level to obtain appropriate assurances on the progress of the NPA project.

8 Access to cash – update on policy framework

- 8.1 The Board noted the updated policy thinking on long-term access to cash. They discussed the characteristics of the declining market for cash, and banks' responsibilities compared with their incentives to provide widespread access to cash services (withdrawals and deposits) for their customers long term.
- 8.2 The Board discussed the need for banks to provide some effective level of access to cash services long term while consumers continue to use cash, and the limit of the PSR's powers. All options were being explored, and the need for a legislative obligation on the banks remained on the table. The Board recognised that a legislative obligation would fall outside the PSR's current remit. The Board noted that in a rapidly changing market it would be important to avoid unintended consequences and careful thought needs to be given to how such a legal obligation might work.

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- 8.3 The Board also discussed how banks and other parties have the expertise and knowledge of the cash market and consumers' cash needs. They discussed how these organisations could be encouraged to start thinking about what possible long-term sustainable models for providing access to cash services could look like, and how this could help deliver possible solutions while other options are being explored.
- 8.4 The Board **approved** the following:
- a) That the PSR should explore with other relevant authorities the prospect of a legislative obligation on the banks as an option to help ensure long-term access to cash services, recognising that legislation would fall outside the PSR's remit.
 - b) To engage with banks and other relevant stakeholders about options for ensuring a sustainable long-term access to cash services, and how these organisations could scope out possible long-term sustainable models.

9 PSR Panel report

- 9.1 The Board discussed the PSR Panel report and noted that the PSR was working with the Panel Secretariat on a review of the composition of the Panel to ensure it continued to provide a diverse range of views that were representative of the payments landscape.

10 Decisions requested of the Board:

- 10.1 2019 Review of the PSR, Bank, FCA and PRA Memorandum of Understanding (MOU)
- a) The Board **approved** the MOU and agreed that it was fit for purpose and that there should be no changes to the MOU this year.
 - b) The Board also **approved** the publication of the prepared statement on the PSR website and delegated the final wording to the Managing Director of the PSR to agree with the other Authorities.
- 10.2 PSR Panel Re-Appointments
- a) The Board **approved** the re-appointments of Jana Mackintosh and Paul Thomalla the PSR Panel for a second term of two years, from 1 December 2019 to 30 November 2021.

11 Items for noting

- 11.1 The following papers were **noted**:
- a) Final note of Panel Symposium
 - b) ExCo minutes
 - c) Draft agenda for January 2020
 - d) Forward agenda

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
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
Beverley Walker	Team Manager, Board Secretariat

Attending for the following items:

6	Jane Gosling	Manager, Operations, Risk & PMO
7	Gala Poole	Manager, Policy
8	Marc Maxfield	FCA Manager

Other relevant associates were also in attendance.