

The Payment Systems Regulator Ltd

Minutes

Meeting: PSR Board
Time & date of Meeting: 10.00 am, 19 January 2022
Venue: MS Teams

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

In attendance: Set out in Annex A

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, including:
 - a) the progress of the tender process in relation to the Central Infrastructure Service of the New Payments Architecture
 - b) the continuing stretch on resources as a result of existing and new projects
 - c) the development of Open Banking, including the development of governance structures in consultation with the Competition and Markets Authority and other relevant parties
 - d) continuing work in relation to card scheme fees.

3 FCA Update

- 3.1 Mr Geale briefed the Board on the business of the FCA that was of relevance to the PSR. Items discussed included:
 - a) restructuring within the FCA.
 - b) application of the special administration regime within the context of the Payments Landscape Review
- 3.2 The Board agreed it would be helpful to arrange a strategy session with the FCA to ensure the payments strategies of each organisation are suitably co-ordinated.

4 PSR Annual Plan & Budget 2022-23

- 4.1 The Board considered the Annual Plan publication and discussed the structure, key messages and narrative that it should contain. The Board felt it important that this include the rationale
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for the proposed budget increase, and how the organisation was increasing the pace to deliver the ambitious agenda of the PSR strategy in an evolving and complex payments landscape. It also encouraged the team to reflect the strong relationships with other regulatory bodies and be clear about the role and remit of the PSR, as well as outlining that overall, payments systems continue to work well for most people, as exemplified through the pandemic.

Decision:	The Board agreed the overarching publication structure of the Annual Plan
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5 2021 Memorandum of Understanding review

- 5.1 The Board noted that the PSR, the FCA, Bank of England and the PRA (the Authorities) have a statutory duty to review the Memorandum of Understanding (MoU) between them on an annual basis. The Board was informed that the 2021 review had been led by the FCA and was briefed on the outcome. It was noted that the Authorities had concluded that no changes are required to the statutory MoU in 2021, but some might follow in 2022.
- 5.2 The Board noted that the Authorities intended to issue a joint statement confirming completion of the 2021 review. The Board discussed the contents of the statement.

6 Chief Risk Officer's Report

- 6.1 The Chief Risk Officer (CRO) presented the six-monthly report to the Board setting out their assessment of the key risks facing the PSR and the organisation's ability to manage and mitigate such risks. The Board was reminded that a previous Internal Audit report had recommended the strengthening of the governance arrangements for the management of risks. The Board enquired about the development of the risk framework (including risk appetite and tolerance) and the CRO described the work in train to advance this, including comparison with similar organisations. The Board requested clarification of the timeline to completion at its next meeting.
- 6.2 The Board also discussed the management reporting of risk and requested that the Managing Director's report regularly contained a review of the principal risks identified by the Executive.

7 Minutes and matters arising

- 7.1 The Board reviewed and suggested drafting amendments to the minutes of the Board meeting held on 17 November. The Board agreed that a revised draft should be circulated for approval by written procedure.
- 7.2 The progress in respect of the actions from previous meetings was **noted**.

8 Audit Committee report

- 8.1 The report from the Chair of the Audit Committee of the meeting on 9 November 2021 was **noted**. The Secretariat was asked to circulate Audit Committee agendas to the Managing Director prior to meetings.

9 Items for noting

- 9.1 The following papers were **noted**:

- a) Minutes of meetings of the Executive Committee that took place on 12 & 26 October, 23 November, and 7 December 2021.
- b) Draft agenda for the PSR Board Meeting on 16 March 2022

10 Any other business

- 10.1 There being 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
Zoe McCarthy	Private Secretary to the Managing Director
Genevieve Marjoribanks	Head of Policy
Simon Pearce	Company Secretary
Ian Runacres	Private Secretary to the Chairman
Natalie Timan	Head of Strategy, Analysis and Monitoring

Attending for the following items:

4	Anita Kelly-Metelewa Danielle Banaszak	Manager, Operations, Risk and Project Management Office Manager, Operations, Risk and Project Management Office
5	Nick Davey	Technical Specialist, Regulatory Policy & Strategy
6	Anita Kelly-Metelewa Matthew Cherry	Manager, Operations, Risk and Project Management Office Manager, Strategy Analysis and Monitoring

Other relevant Associates were also in attendance