Working Group Paper

Date of Meeting:	23 February 2015
Paper Number:	PSFWG(15)01
Subject:	Agreeing the objectives and scope of the Payments Strategy Forum

1 Purpose of this paper

1.1 This paper is designed to prompt discussion, and facilitate agreement on the **objectives and scope** of the Payment Strategy Forum (The Forum) that the PSR intends to establish. To facilitate the discussion we provide a 'straw man' terms of reference (ToR) which includes proposed scope and objectives (annex 1). We do NOT intend to seek agreement on the ToR in its entirety at this meeting – we will revisit the document at a future meeting.

1.2 Our working assumption for the discussion is that the Forum will be established along the lines of the preferred proposal put forward in the PSR's Consultation Paper[1]. This is without prejudice to the final Policy Statement which will be published in March. The working group can take any changes into account in its future discussions.

1.3 The paper also contains:

- **Annex 2** – summary of consultation responses relevant to the PSF scope, objectives and ToR
- **Annex 3** – case studies of similar forums/ bodies

2 Forum objectives

2.1 The Forum's objectives need to address the issues identified during the PSR consultation process. These issues include:

- the ability of service-users to meaningfully input into and influence discussions about the future development of payment systems; and
- the ability of, and incentives on, industry to innovate and develop payments systems in a timely manner.

2.2 The proposed objectives set out for discussion are purposefully 'high level'. We propose that the Forum should focus on what good **outcomes** look like for service-users and which **collaborative payment system developments** should be prioritised to realise these outcomes. The Forum should in this way, provide a widely agreed, future vision for collaborative activities which operators and delivery bodies can adopt.

2.3 **Working Group members are invited to comment on the 'straw man' objectives in Annex 1 and whether these cover the issues in 2.1 above. If different or alternative objectives are proposed in the discussion it would be very helpful to understand how such different objectives would address the issues in 2.1**

[1] Supporting paper 2

3 Forum scope

3.1 As set out in the straw-man terms of reference, the scope of the Forum will be on areas '**where collaboration is necessary to achieve good service-user outcomes'**[2].

3.2 This means the Forum will focus on developments or activities which require multiple operators, payments service providers, or other stakeholders to work together to effect change. Examples of such joint development activity include the introduction of standards for interoperability, the development of services such as CASS and Paym and the adoption of Chip and Pin.

3.3 The Forum will need to consider the end-to-end value chain of payments if it is to understand what good service-user outcomes look like. For this reason, it will consider both payment *systems* and payment *services* (in so far as the development of payment systems can be an enabler of new or improved payment services).

3.4 Operators and payment service providers will continue to develop their own individual strategies. Implicit in this approach is that Operators will acknowledge that a high-level strategy is being developed to coordinate collaborative activity and reflect this in their own individual strategic plans.

3.5 Delivery will **not** be part of the Forum's remit. The Forum will provide recommended strategies (including recommended high-level timelines, deliverables etc.) for the payments industry to adopt. While adoption of these strategies will be voluntary, it will be part of the Forum's role to provide compelling, evidence based assessments supporting their recommendations.

3.6 The Forum will have a role in tracking the progress of the industry against its recommendations through the publication of an annual progress report. This will hold industry to account and will help to drive development in line with its priorities. Where compelling reasons are presented as part of the Forum's recommendations, but the relevant industry participants fail to delivery against these, the PSR may decide to take action.

3.7 **Working Group members are invited to comment on the description of the scope of the Forum in this section and in Annex 1 and whether this is appropriate to address the concerns identified in 2.1 above. If members consider the scope should be different, it would be very helpful to understand how such a difference would better address the issues in 2.1**

4 How will the Forum operate to achieve its objectives?

4.1 The first proposed objective of the Forum, as set out in the straw-man ToR is: "Seeking to *ensure that service-users and other interested stakeholders can meaningfully contribute to discussions about the future of payment systems and the services they support*". The forum will achieve this by:

- **Being open and transparent** - all Forum outputs will be published on a dedicated website or page of the PSR website.
- **Including participants from a broad range of stakeholder groups** – membership of the Forum will draw on the skills and experience of individuals from a broad range of stakeholder groups, including service-users and end-users
- **Including mechanisms for engagement beyond the Forum** – the Forum will invite relevant groups and individual to provide insight at its meetings. The Forum

[2] We set out in our consultation that the Forum "would focus particularly on areas where strategic development requires the collective action of stakeholders". See Supporting Paper 2 p.17 http://www.fca.org.uk/static/documents/psr/psr-cp14-1-2-sp2-payments-industry-strategy-areas-for-collaboration.pdf

will also host a regular '**Forum Assembly**, to seek views and input from a wider range of interested parties.

4.2 The second proposed objective, as set out in the ToR is to "*identify key priorities for the development of payment systems where collaboration is necessary to achieve good service-user outcomes effectively and in a timely manner*", The Forum will achieve this, in addition to the engagement described above, by:

- **Undertaking research and analysis** – to better understand 'good service-user outcomes'. This could be commissioned by the Forum (or its Chair) as independent research, or undertaken voluntarily by industry or service user groups.

- **Assessing ongoing industry developments** – to identify where progress is already being made through ongoing market developments, to better understand existing gaps. The Forums should also be aware of relevant regulatory developments.

- **Consulting on its priorities** – to gauge with wider stakeholders whether the priorities are the right ones. This could take the form of a formal consultation or as part of engagement with the regular 'Forum Assembly'.

4.3 The third proposed objective, as set out in the ToR is to "*agree strategies to coordinate and drive developments in line with these priorities*" the Forum will achieve this, in addition to the steps above, by:

- **Forming high-level recommendations for payment systems development** - to be adopted **voluntarily** by industry. These recommended 'strategies' could target specific areas where the need for development has been identified or form a single encompassing strategy. We note the Federal Reserve is developing five high level strategies to improve the US payment system, which each focus on different aspects of the payments value-chain[3].

- **Commissioning working groups –** where detailed work is needed to overcome issues, develop recommendations, or undertake further research or cost benefit analysis. The Forum should have the flexibility to commission working groups whose participants and scope is appropriate for the issue or task at hand.

- **Tracking the progress of industry** – the publication of an annual progress report will hold industry to account and will help to drive development in line with its priorities.

- **Engaging in the development of voluntary standards or codes** in order to promote best practice across the payments industry.

4.4 **Working Group members are invited to consider these activities in order to understand better the proposed objectives set out above. However, the proposed activities of the Forum will be discussed further in a future meeting when the ToR are considered in detail.**

[3] http://www.federalreserve.gov/newsevents/press/other/20150126a.htm

ANNEX 1: DRAFT TERMS OF REFERENCE

1. The Payment Systems Regulator (PSR) has established the Payments Strategy Forum (Forum) to identify strategic priorities and undertake strategic coordination in a way which advances the PSR's statutory objectives.

Objectives

2. The Forum will contribute to development of innovative and responsive payment systems and the services they support in the UK, through:

   - Seeking to ensure that service-users and other relevant stakeholders can meaningfully contribute and influence discussions about the future of payment systems and the services they support
   - Identifying key priorities for the development of payment systems where collaboration is necessary to achieve good service-user outcomes effectively and in a timely manner
   - Agreeing appropriate strategies to coordinate and drive developments in line with these priorities

Scope

3. The Forum will focus on areas where collaboration between payment system operators, participants and/ or other stakeholders is necessary to bring about beneficial change.

4. The Forum will consider both payment systems *and* services in so far as the development of payment systems can be an enabler of new or improved payment services.

5. Payment system operators and participants in payment systems will continue to progress their individual commercial strategies, but will have regard to the Forum's non-binding recommendations for collaborative development.

6. Ownership and accountability for delivery against the Forum's priorities will remain **outside** the Forum.

Forum activities

7. To achieve its objectives, within the scope set out above, the Forum will:

   a. Gather evidence from stakeholders, by commissioning independent research and through such other means as it considers appropriate and proportionate, in order to inform its deliberations.

   b. Engage with relevant domestic and international stakeholders (through shared papers, presentations etc.) to ensure the Forum has a holistic view of the payments sector and relevant developments.

   c. Seek wider views and input through hosting a regular 'Forum assembly' open to all interested parties.

   d. Seek to reach consensus on what desirable service-user outcomes look like based on available evidence.

   e. Seek to agree on areas of collaborative payment system development to prioritise to achieve these outcomes.

f. Be informed by ongoing or future developments, driven by industry or regulation.

g. Where gaps exist, work to define and agree strategies for collaborative payment system development in line with its priorities.

h. Make recommendations to industry and delivery bodies where necessary on the way forward.

i. Commission working groups (see articles 31-34 below) where detailed work is needed to make progress on developing strategies.

j. Publish an annual report which tracks progress made against the Forum's priorities and assesses where its strategies have been adopted.

k. Engage in the development of voluntary standards or codes in order to promote best practice across the payments industry

Organisation of the Forum

8. The Forum will have an independent Chair.

9. The Forum will have two elements:

- **A forum 'Board'** – to facilitate focused discussions and formulate priorities and recommendations
- **A Forum 'Assembly'** – a regular event, designed to capture the views and input of a broad range of stakeholders. These views and input will feed directly into Forum Board discussions.

10. The **Forum Board** will no more than [20][4] members who will be senior people in their field:

- Seats will be reserved for payment system operators designated by the Treasury for regulation by the PSR [currently 8].
- [5] seats will be filled by end-user representatives, one each drawn from consumer organisations, the charity and voluntary sector, advocates for small/medium businesses, large corporates (including merchants) and the government (as a major user of payment systems).
- [4] seats will be filled by payment service providers (PSPs), drawn from mainstream, emerging and alternative PSPs.
- [3] seats will be filled by individuals drawn from technology providers and innovators.

11. The **Forum Assembly** will be open to all interested stakeholders as appropriate.

12. The PSR will attend all Forum meetings and actively support the Chair where guidance is required in relation to its objectives.

13. The Bank of England and the Financial Conduct Authority may observe meetings and provide guidance to the Chair in relation to their objectives, in consultation with the PSR.

[4] All figures will be discussion at a future working group meeting

Membership and appointments

14. The PSR will appoint the Chair for a minimum of two year term. The Chair can be re-appointed for one additional term.

15. The independent Chair will be responsible for managing the selection process for Forum participants, supported by and in consultation with, the PSR. Appointments will be based on applications from individuals falling into the allocated stakeholder categories defined above.

16. Members from each Operator will be appointed as representatives of their organisations and will be expected to represent the views of their participants and stakeholders, including service-users. They will have delegated authority from and direct engagement with their boards. Alternates will be accepted where the appointed member cannot attend due to exceptional circumstances but should have similar experience and expertise and be of a similar standing within the organisation.

17. The members drawn from service-users, providers or suppliers will be appointed in an individual capacity on the basis of their skills, experience and current role. They will not formally represent specific constituencies or organisations but they should be aware of the general viewpoint of their sector where such a consensus can be identified. Alternates will be accepted (as in article 16).

18. Members who are no longer capable of contributing effectively to the Forum's discussions or who resign may be replaced for the remainder of their term at the discretion of the Chair, in consultation with the PSR.

19. Members will be appointed for different terms to enable continuity of Forum members over time.

20. The Chair will also consider and decide on applications for membership received on an ad hoc basis and may admit an additional member where a relevant category of participant or stakeholder is not properly represented by the existing membership.

Secretariat

21. The Chair will be supported by a secretariat provided by the PSR. The Secretariat will work under the direction of the Chair.

22. The secretariat will be responsible for supporting Forum meetings and events and maintaining the Forum's website and publications.

Functioning of the Forum

23. Appointed members should be present at meetings of the Forum.

24. Common positions, priorities and recommendations are adopted by consensus by members attending the meeting. The Chair should try to achieve such consensus. Dissenting opinions will be reflected in the minutes of the meeting.

25. The Forum has no powers to direct its members, or the wider sector to undertake any action. The Forum's positions and recommendations should be adopted voluntarily by the relevant Operators and the wider sector.

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26. In the voluntary implementation of the Forum's recommendations by the Operators or other industry participants, there should be a 'no surprises culture'. The PSR and other regulators including the FCA and the Bank of England should be kept informed where appropriate of developments, over and above the updates given to the Forum. This will enable the regulators to consider how these developments may impact their objectives and to direct their regulated entities accordingly.

Meetings

27. The Forum will meet not less than [8][5] times a year.

28. Minutes and a summary of meeting outputs suitable for publication on the Forum website are approved by Forum members after each meeting.

Agenda

29. The Chair determines the agenda which will be circulated well in advance of Forum meetings. Forum members may suggest forward agenda items to the Chair via the secretariat.

Working groups

30. The Chair may commission working groups for a limited period of time to work engage in more detail on a particular issue, or to develop in further detail a recommendation or strategy.

31. The Forum should agree Terms of Reference for any planned working group. This should include clear scope, objectives and a timetable in advance of the working group starting to meet.

32. Forum members should agree on relevant working group attendees, either from the Forum, or other individuals with relevant payment sector expertise. At least one of the working group members should be a Forum member. The PSR, and other regulators, may choose to attend.

33. The working group(s) will report back to the Forum and its recommendations will either be adopted or rejected by the Forum.

34. The funding arrangements for working groups will be agreed by the Forum and will dependent on the scope of the task at hand.

Research & cost benefit analysis

35. In order to support Forum discussions, develop positions or support recommendations, the Chair may commission research or analysis to be undertaken.

36. The funding arrangements for this research will be agreed by the Forum and will dependent on the scope of the task at hand.

37. The Forum will be encouraged to make use of its members where they have relevant research capabilities while seeking to ensure that research commissioned meets high standards of objectivity and independence.

[5] All figures will be discussion at a future working group meeting

Transparency

38. Summaries of meetings, reports and submissions made by the Forum or its working groups will be published on the Forum website.

39. Stakeholders who do not participate in the Forum itself will be encouraged to attend Forum events, or to contact the Chair via the secretariat.

Evaluation

40. The PSR will review the effectiveness of the Forum from time to time taking market and regulatory developments into account and considering the views of other regulators / the Bank of England.

41. The review will assess the extent to which the Forum is able to achieve its objectives as set out above and whether changes are needed to its remit, composition or approach.

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Annex 2: Summary of consultation responses relevant to the Forum's scope, objectives and terms of reference

23 February 2015

Introduction

In supporting paper 2 of our consultation, we asked for comments on the proposed design of the Payments Strategy Forum and suggestions for how our indicative model could work in practice.

The following pages summarise the suggestions we received and illustrate where we have incorporated them into the proposed model for discussion (described in the terms of reference in annex 1).

Objectives (p.4)

Scope (p.5)

Research and evidence (p.6)

Forum engagement (p.7)

Thinking about outcomes (p.8)

Awareness of industry/ regulatory developments (p.9)

How to prioritise (p.10)

How to develop and drive strategy (p.11)

Role of chair (p.12)

Membership (p.13)

Role of regulators (p.14)

Working groups (p.15)

Meeting frequency (p.16)

Transparency (p.17)

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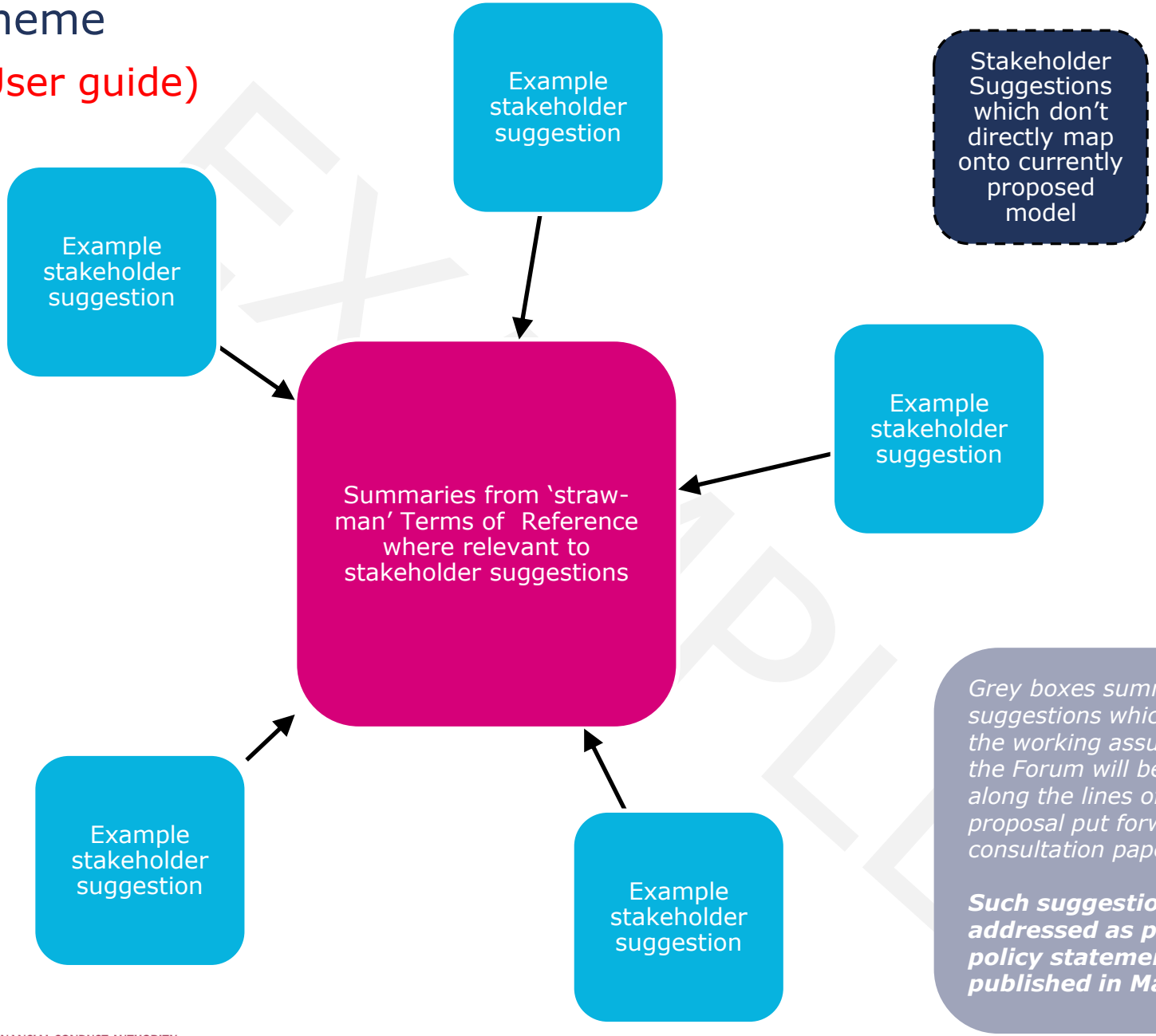
Theme

(User guide)



*Grey boxes summarise suggestions which **go beyond** the working assumption that the Forum will be established along the lines of the preferred proposal put forward in our consultation paper.*

Such suggestions will be addressed as part of the policy statement to be published in March.

EXAMPLE

Objectives

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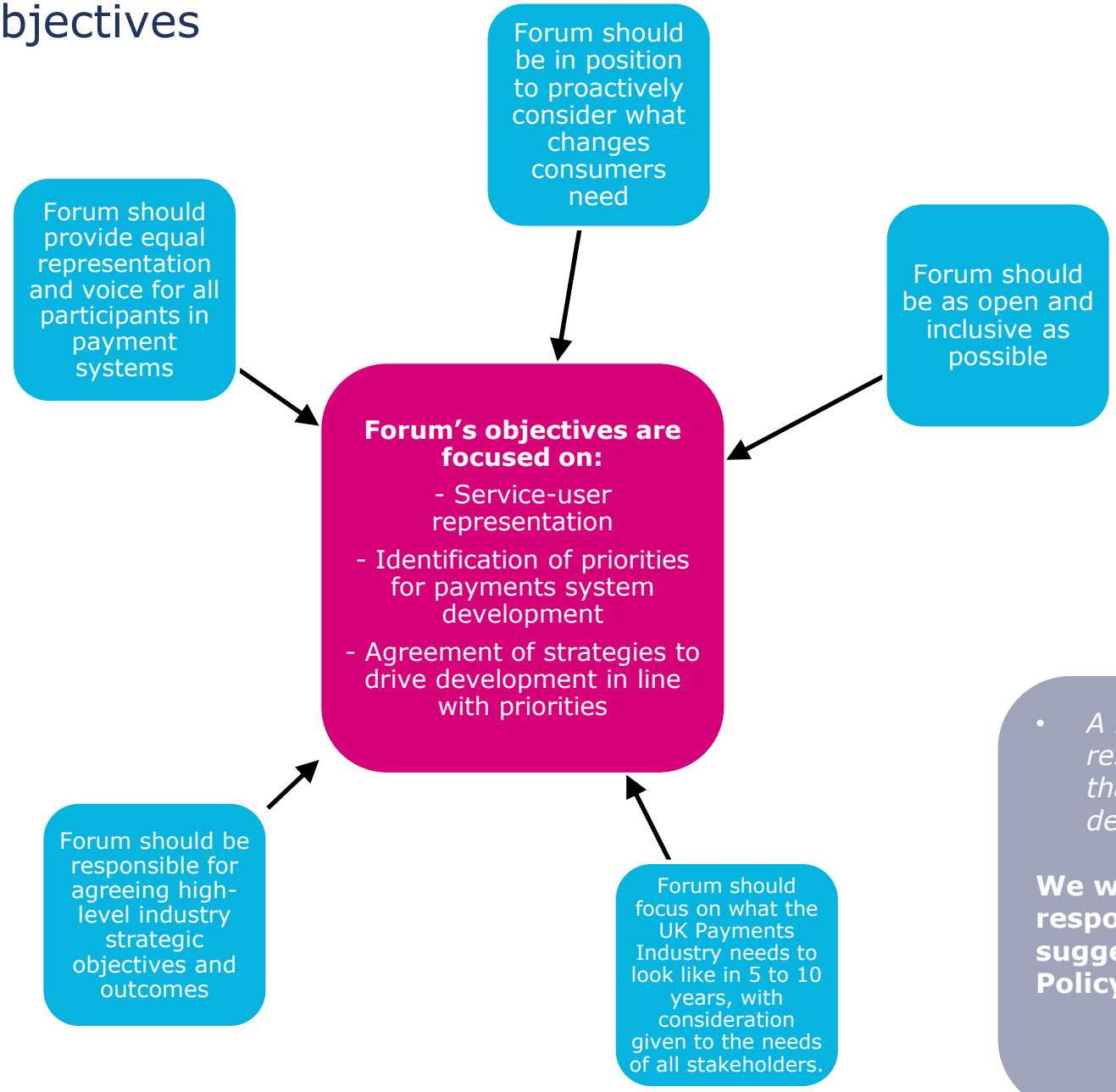

- *A number of respondents suggested that the PSR should determine objectives.*

We will set out our response to this suggestion in our March Policy Statement

Scope

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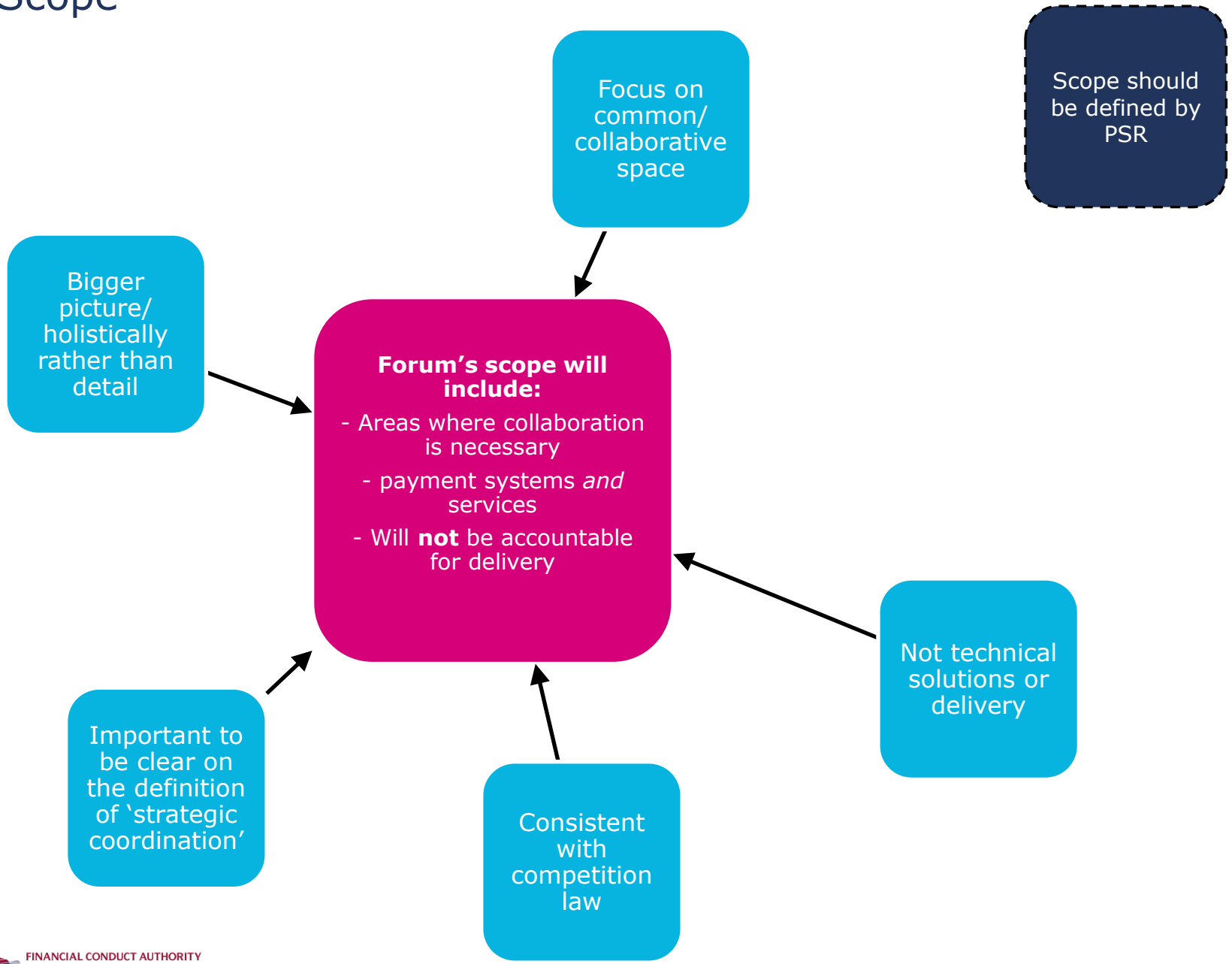

Research and evidence

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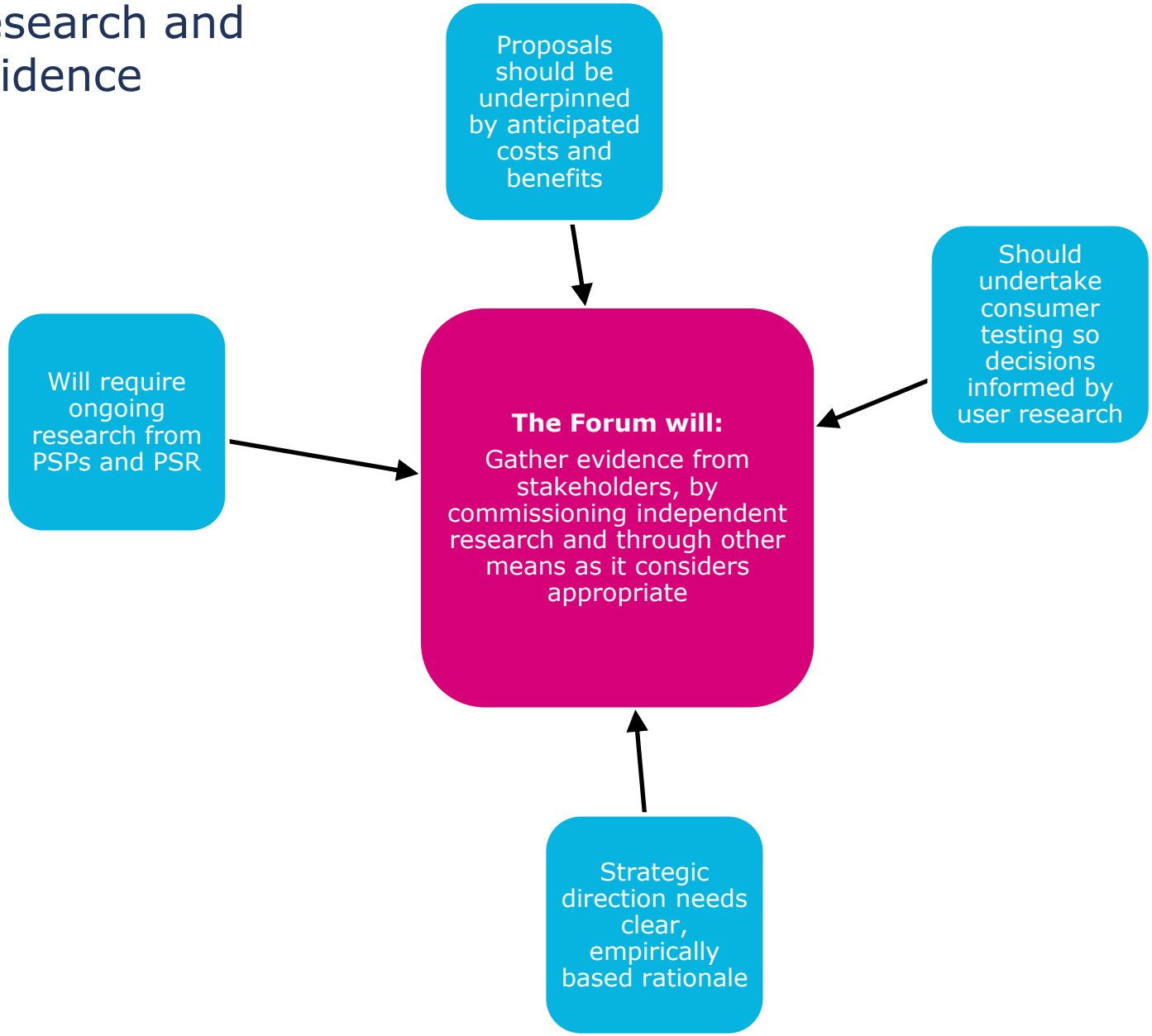

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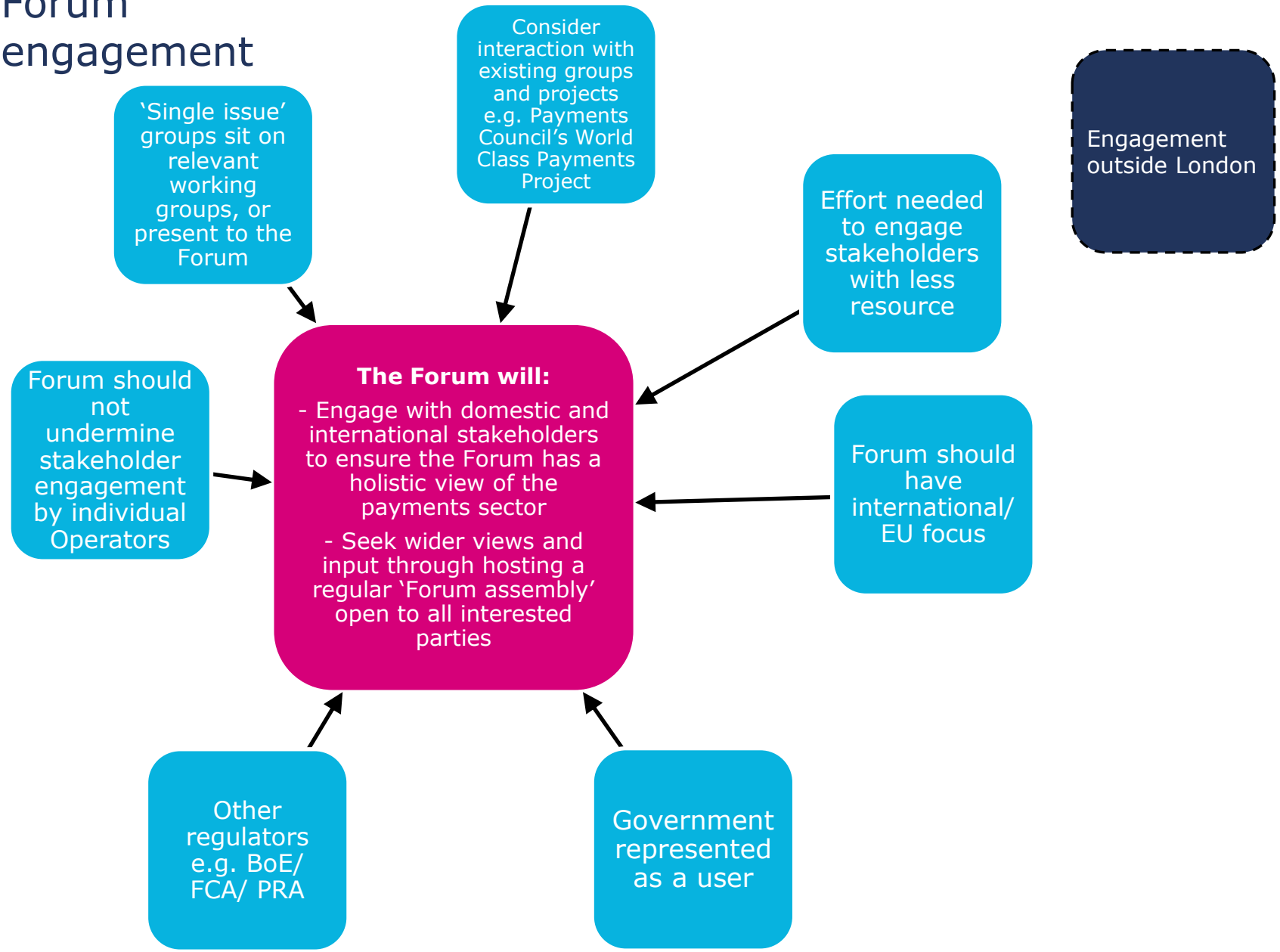
Forum engagement



Thinking about outcomes

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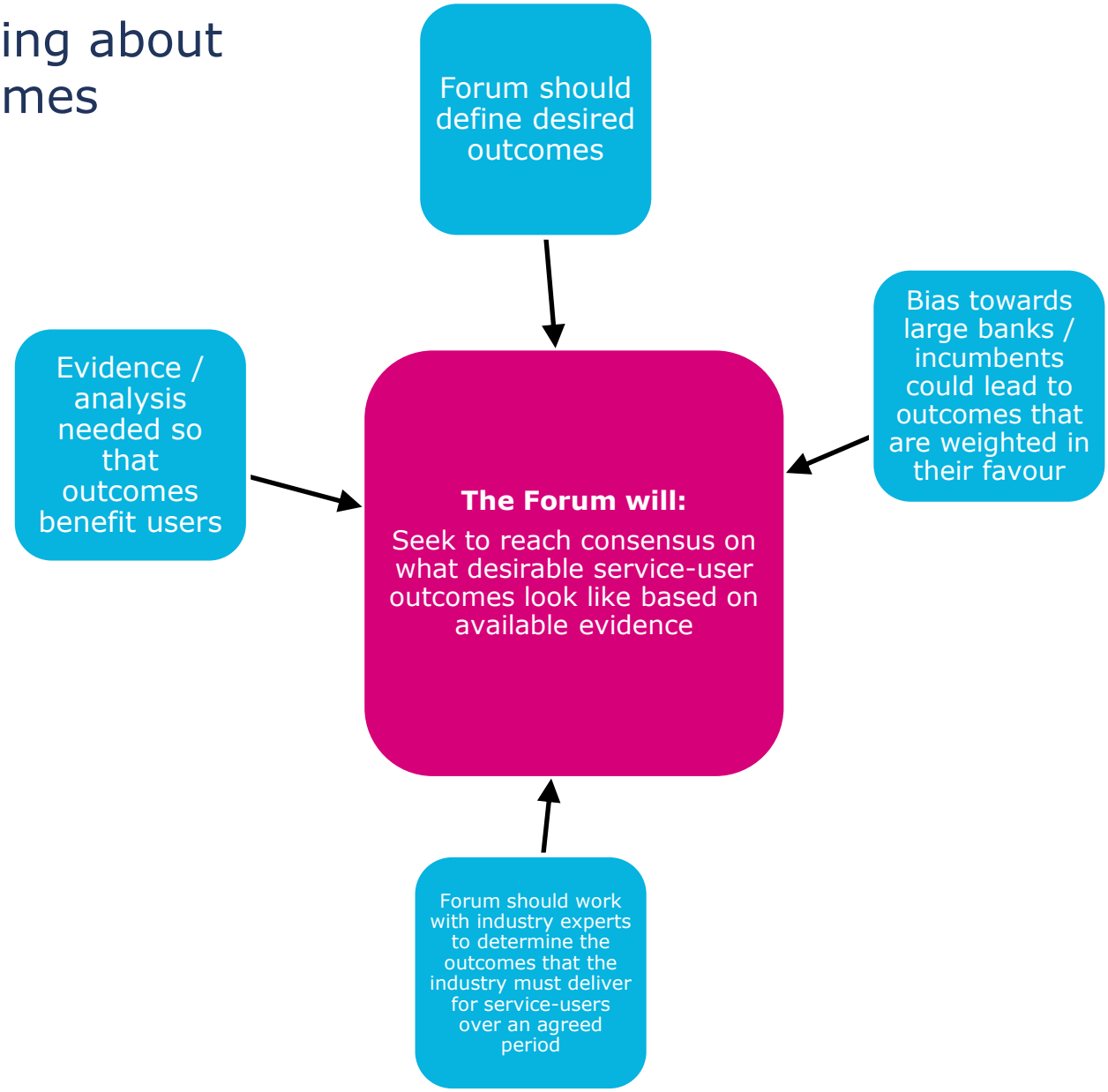

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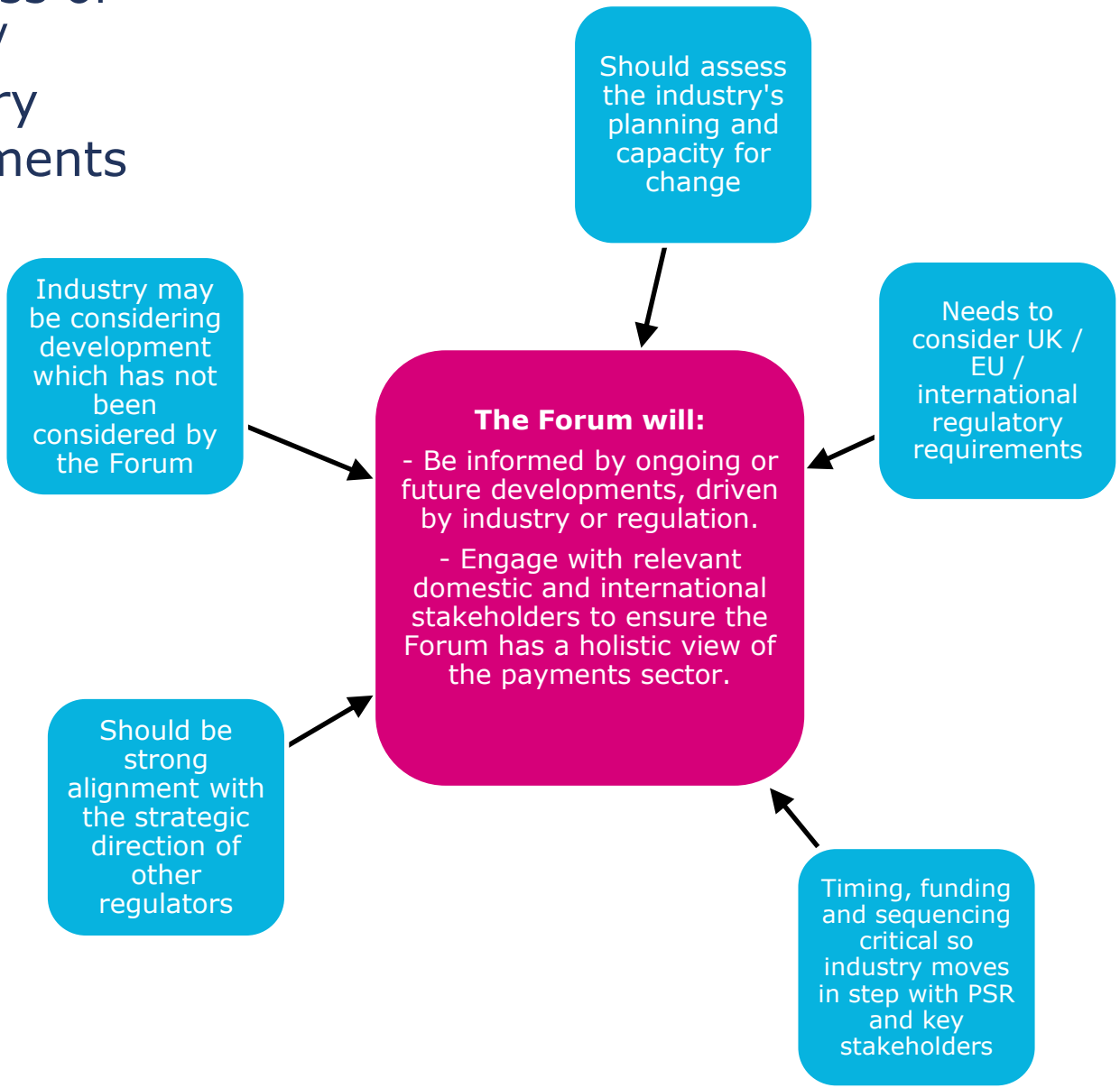
Awareness of industry/ regulatory developments



How to prioritise

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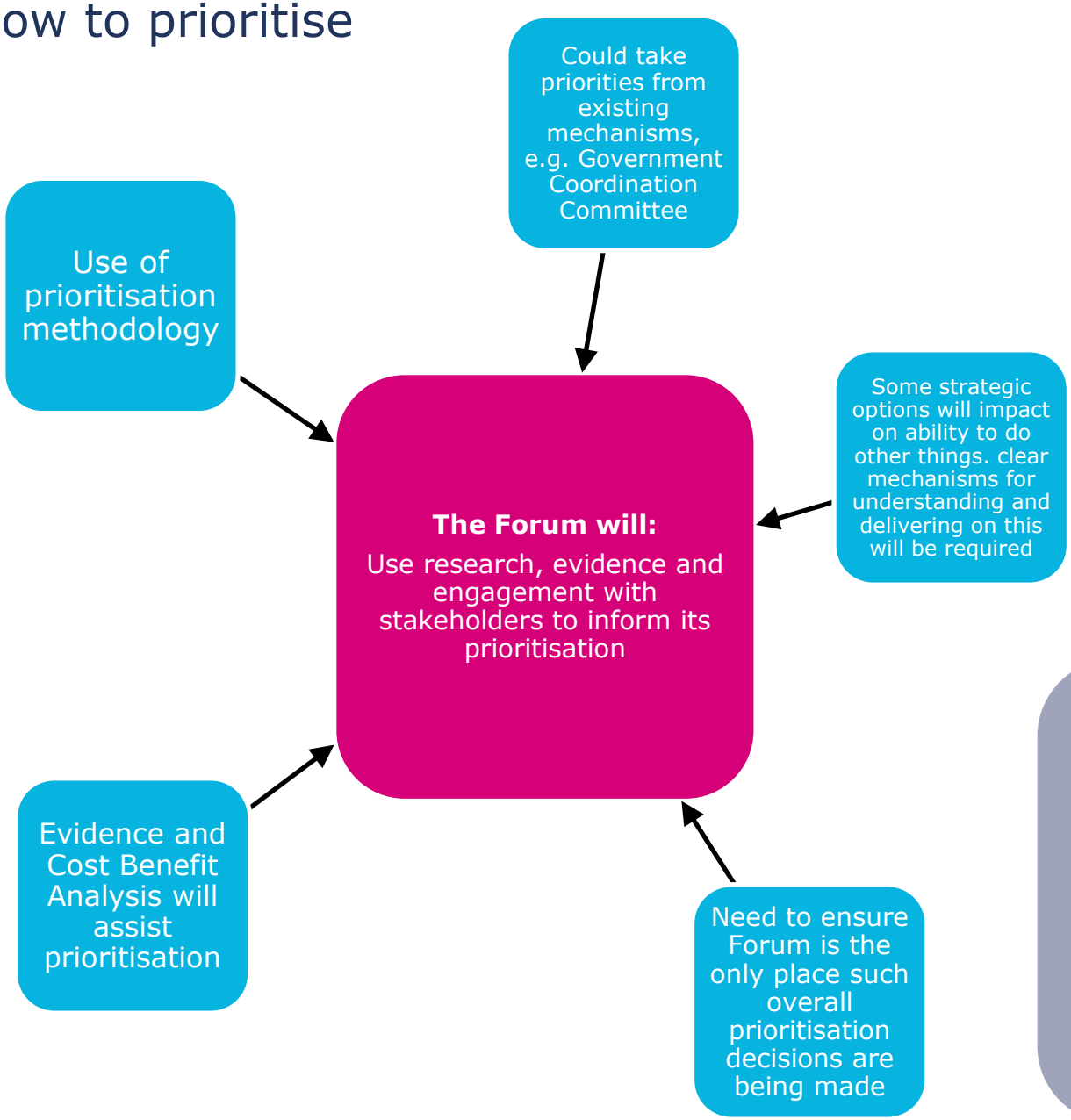

- *Some stakeholders discussed whether the PSR could have a more prescriptive role in setting strategic priorities itself*

We will set out our response to this suggestion in our March Policy Statement

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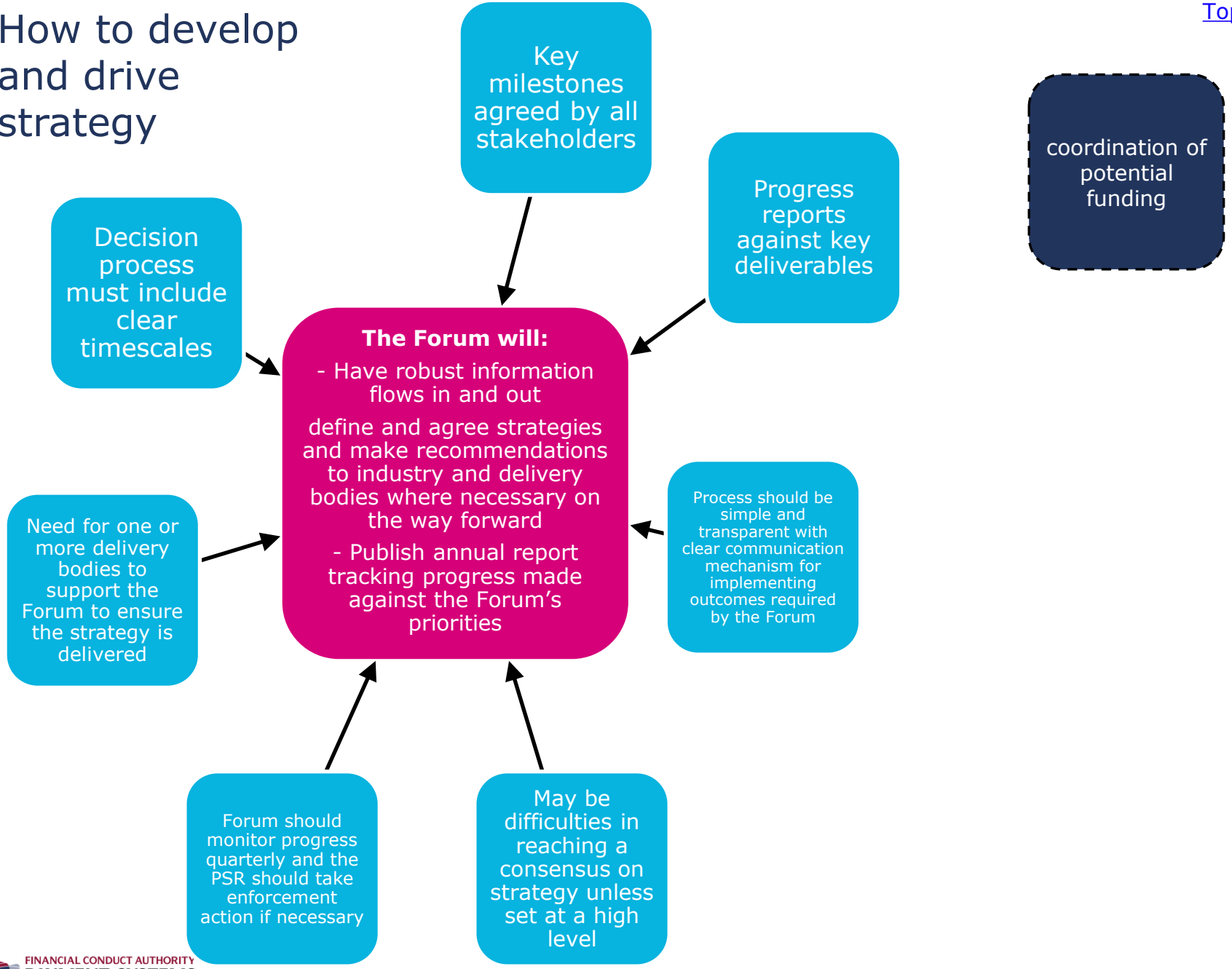
How to develop and drive strategy



Role of chair

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Role of the independent Chair will be central to the Forum's success.

The independent chair will have a number of responsibilities for example:

- Seeking to achieve consensus

-managing the selection process for Forum membership

Independent chair important to ensure agenda fully reflects all interests in discussion

Chair must be independent of the PSR/FCA.

Chair of the Forum should be from PSR rather than an independent person

Needs to maintain balanced view and have adequate knowledge of payments industry so strategy setting is realistic and spurs innovation

Membership

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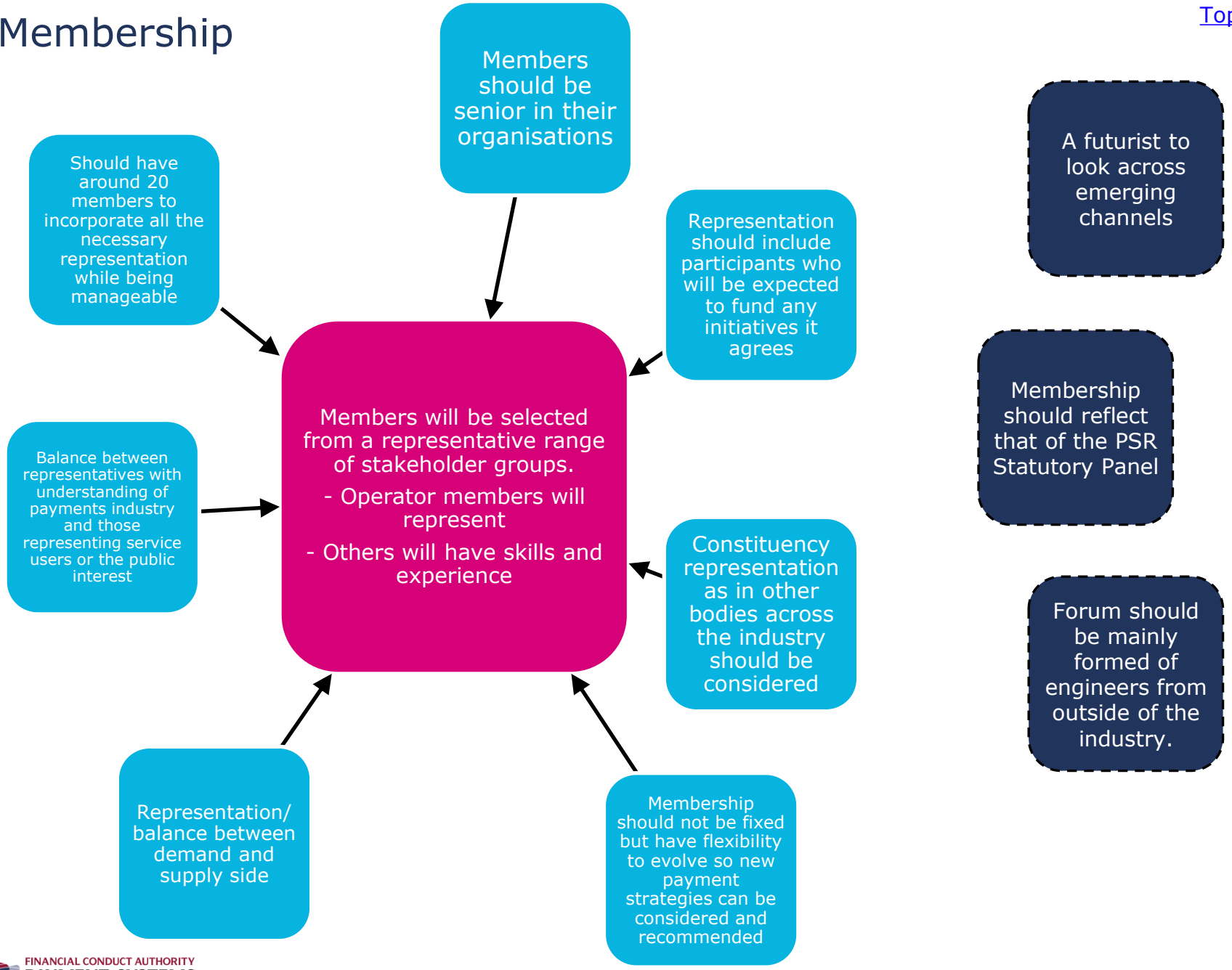

Role of regulators

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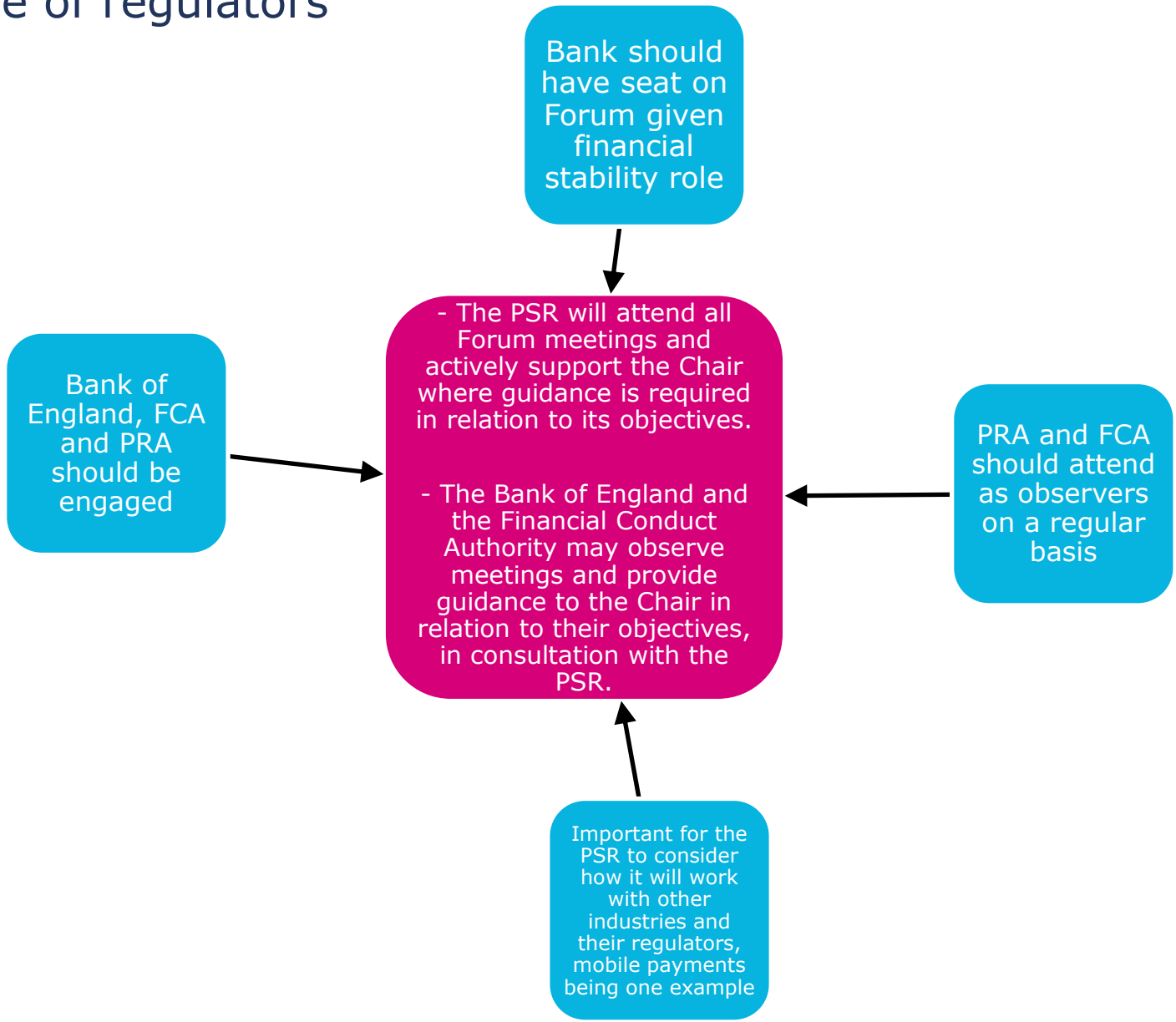

Working Groups

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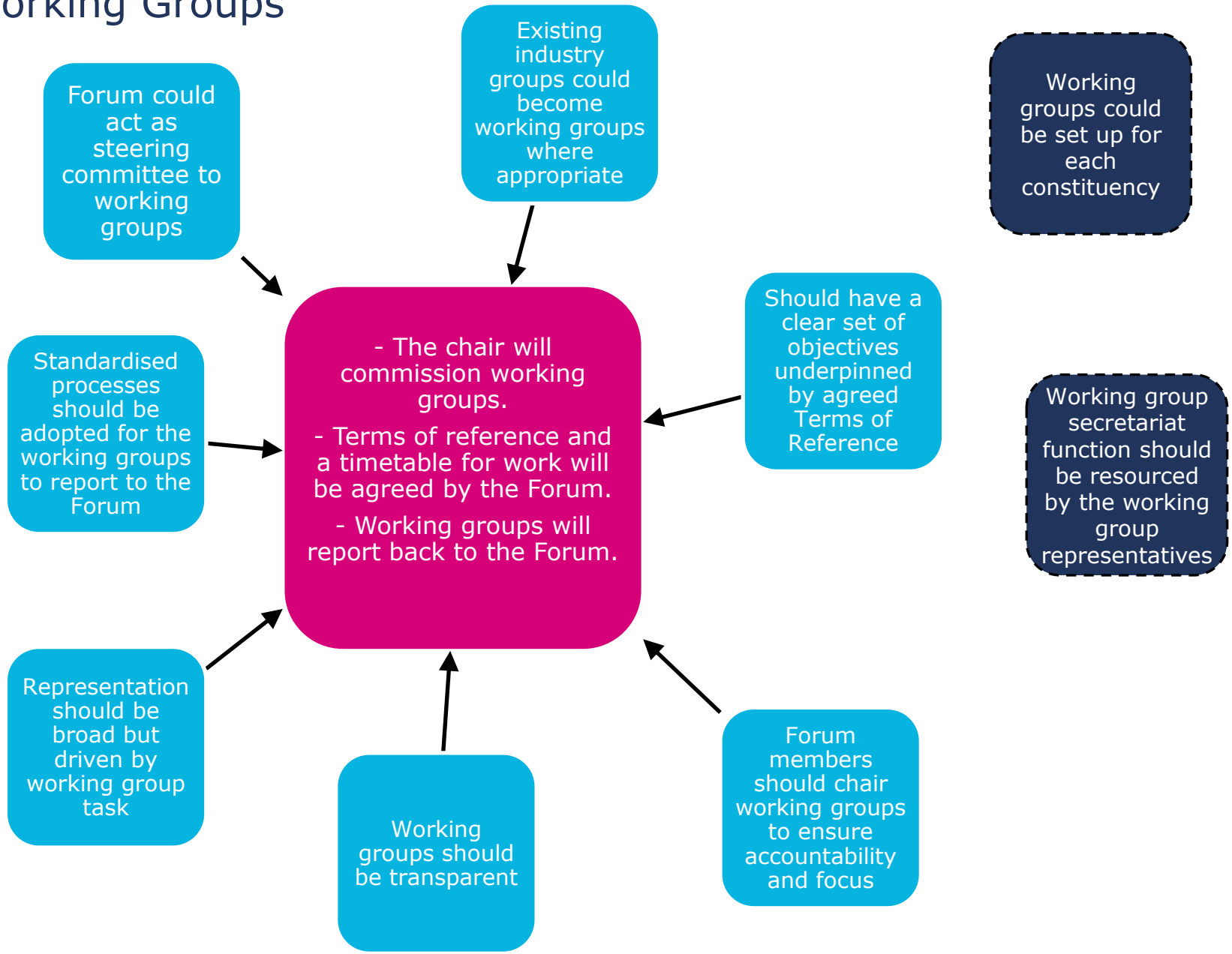

Meeting frequency

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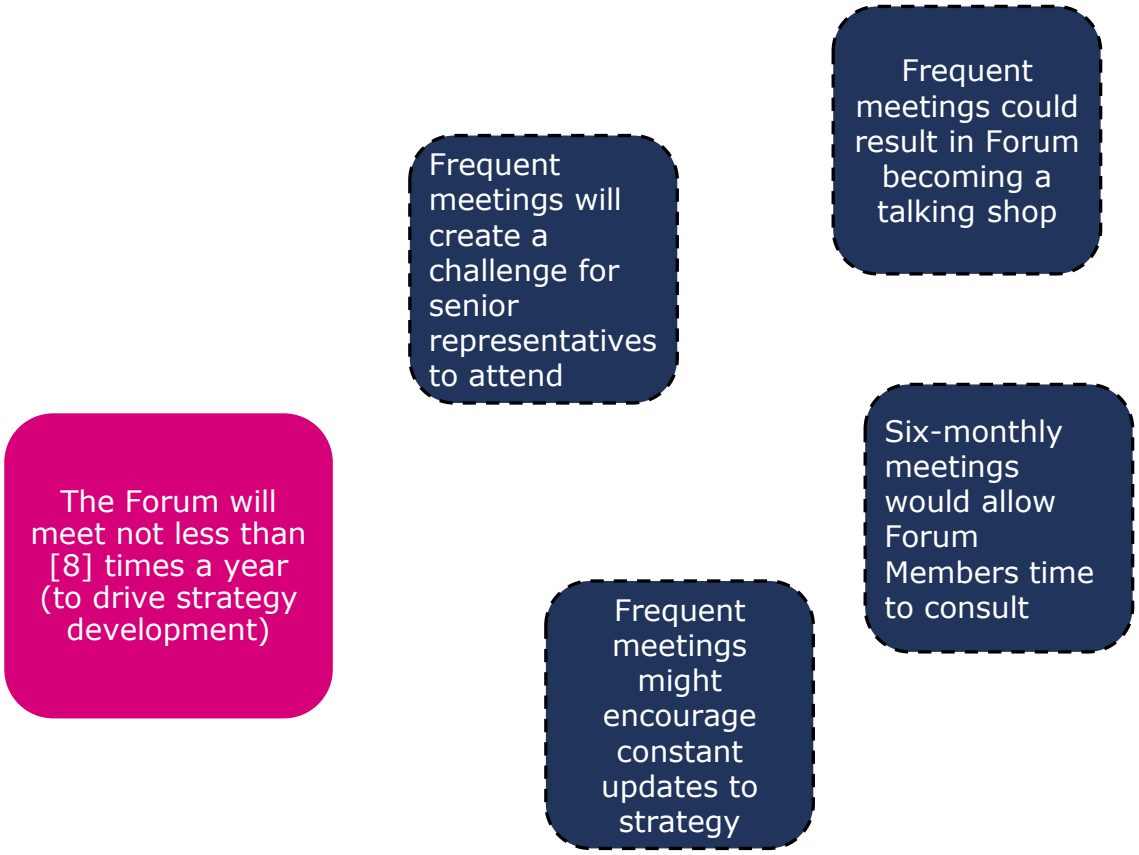

Transparency

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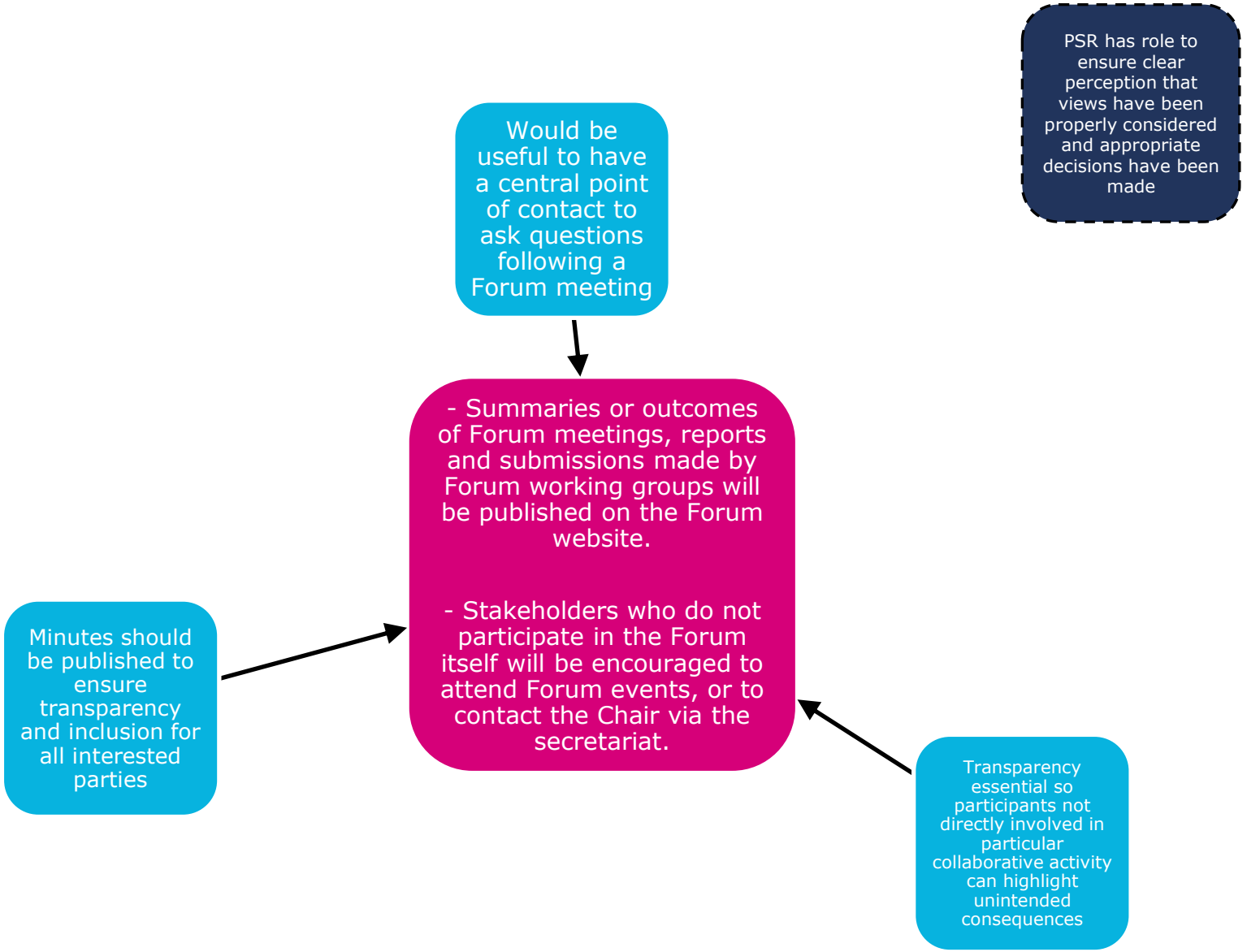

ANNEX 3: CASE STUDIES

A number of consultation responses suggested that we should look to other sectors, regulators or regulated industries for guidance or best practice in designing the Payments Strategy Forum. Respondents pointed to different aspects of various organisations. It was noted for example, that:

- **Ofcom** sets out strategic priorities for the industry based on consultation with stakeholders in an annual plan.
- The **Monetary Policy Committee** holds meetings that are 1-2 days in length, a model which could be adopted by the Forum where updates on developments in the first half could be followed by forward looking activity in the second.
- The previous approach of bodies such as the **Payments Council** could be assessed to look at what worked well and the lessons learnt.
- The proposed Forum had similarities with the **Euro Retail Payments Board** a similar multi-stakeholder Forum looking strategically across the Euro payment space.

Below, we provide high-level summaries and key features of some of the bodies we have considered as we have developed the Payments Strategy Forum proposal. A number of these organisations are described in more detail in a research paper commissioned as part of our consultation: *Overview of the approach to strategy setting for payment systems in selected jurisdictions*[6].

The Euro Retail Payments Board (ERPB)[7]

- Created by the European Central Bank (ECB) in 2013 to replace the SEPA Council, with a mandate to 'foster the development of an integrated, innovative and competitive market for retail payments in euro in the European Union'. Chaired by a senior ECB representative. The European Commission is invited to join as an observer.

- Objectives to ensure a level playing field for all market players in retail payments business in Europe. This includes identifying obstacles to credit transfers, direct debits and putting together strategies to address hurdles to innovation and competition in the European retail payments market. Makes **non-binding** recommendations to the industry.

Key features:

- Develops high-level strategies
- Multi-stakeholder representation (demand and supply side)
- Creates working groups
- Makes non-binding recommendations

- Seven representatives from the demand side (e.g. consumers, retailers and corporations) and seven from the supply side (banks and payment and e-money institutions) sit on the Board. Joined by five representatives from euro area national central banks and one representative from the non-euro area EU national central banks (all on a rotating basis).

- Meets twice a year. First meeting in May 2014, at which it created two working groups – the first on SEPA post-migration issues and second on pan-European electronic mandate solutions for SEPA direct debits.

[6] By Dr Chris Decker Regulatory Policy Institute http://www.fca.org.uk/static/documents/psr/rpi-paper-on-international-approaches-for-the-psr.pdf
[7] http://www.ecb.europa.eu/paym/retpaym/governance/eu/html/index.en.html#erpb

Australian Payments Council and Payments Community[8]

- In Australia strategic objectives are determined by the Payments System Board (PSB), part of the Reserve Bank of Australia, based on its assessment of the public interest. It also currently engages with industry to develop strategy, through two new bodies: an Australian Payments Council (APC) and a Payments Community.

- Membership of the Payments Community is open to any organisation with a significant interest in the Australian payments system (current members include financial institutions, card schemes, major retailers and other PSPs, the Australian Payments Clearing Association and the Reserve Bank of Australia).

Key features:

- Focused group and wider 'Payments community' work together
- Payments Council decisions non-binding
- Payments Council operates 'by consensus'
- Operates by consensus

- Payments Community enables such interested parties to participate in the exchange of information relating to strategic matters, and to consult with the APC on its activities. This includes 'keeping informed and providing views' on relevant issues to inform Payments Council deliberations. It meets at least once a year, and is Chaired by the Chair of the APC.

- APC is envisaged as a more focussed, senior level body with representative membership drawn from the Payments Community on a rotational basis. The Chair is an independent non-executive, and the APC members are expected to be respected senior executives of the organisations they represent and have appropriate expertise. The APC will meet at least twice a year, and have a joint meeting with the PSB annually.

- APC constantly scans the payments environment to identify strategic issues and emerging trends; engages with the PSB on setting and implementation of strategic objectives; generates common industry positions for action and adoption by the industry with the endorsement of the PSB; and identifies and removes barriers which may restrict collaborative innovation. APC does **not** have binding powers over industry participants, nor can it mandate participation in any initiative, which remains a commercial decision for industry participants. In short, the APC will have to achieve its goals through consensus and 'buy-in' on specific initiatives.

Federal Reserve's Strategic Roadmap initiative[9]

- The Fed states that key improvements for the future state of the US payments system should be '*collectively identified and embraced' by payment participants and material progress made in implementation*[10].

- The Fed sees its role as 'a catalyst for collaboration', including through hosting meetings and forums with industry to gather input on the strategic vision. To this end, it organised six 'Town Hall' meetings in 2014 to discuss various improvements to U.S. payment systems. Over 250 attendees participated in these meetings, comprising representatives from: financial institutions (40%); business (17%); technology solutions providers/processors (15%); emerging payment providers (7%); payments rules and standards bodies (10%);

Key features:

- Stakeholder engagement through 'town halls'
- Dedicated website for output
- Publishes multiple high level 'strategies'
- Use existing groups for input

[8] http://australianpaymentscouncil.com.au/
[9] www.fedpaymentsimprovement.org
[10] https://fedpaymentsimprovement.org/wp-content/uploads/2013/09/Payment_System_Improvement-Public_Consultation_Paper.pdf

government and regulatory agencies (6%); other industry (3%) and payments network operators (2%).

- A dedicated website has been created containing the user submissions to the consultation, summaries of the Town Hall discussions, additional reading materials and details of future industry events at which the Fed will be participating.

- In January 2015 the Fed published its roadmap for payment system improvement[11].

- The Fed notes execution of its Roadmap will require 'active partnerships' with industry stakeholders, and that a 'multifaceted engagement approach' will be applied during implementation to 'seek input, promote outcome and secure industry participation'. This will involve:

    - Participation in industry meetings, speaking engagements and Fed events which will keep the industry aware of progress and promote outcomes.
    - The use of standing Fed- and industry-groups to provide input and support strategy work.
    - The creation of new advisory councils and workgroups to support specific strategic initiatives in areas where there is a need for sustained engagement and industry collaboration.

The Rail Delivery Group (RDG)[12]

- Established in 2011 as a result of the government's most recent rail review. McNulty advocated the setting up of a leadership body that would be responsible for co-ordinating/leading on cross-industry initiatives including implementation of the recommendations of the Rail Review. The body was to be populated by senior members of the industry. It was expected to be small and efficient.

Key features:

- Small body with senior membership
- Has secretariat joint funded by Network Rail/ members
- Operates through working groups

- The body was initially established as a partnership of Abellio, Arriva, DBS, DRO, First Group, Freightliner, Govia, National Express, Stagecoach and Virgin. Following a consultation by the Office of Rail Regulation in 2013, the RDG was formalised as a not for profit company. The RDG has a small secretariat and is 50% funded by Network Rail and 50% funded by members. Railway operators are now required to be members via their license.

- RDG's functions are carried out through a series of working groups members of which are drawn from the secretariat and the membership.

GSM Association (GSMA)[13]

- Develops the GSM platform for mobile telecommunication services based on the international GSM standard. It organises the annual Mobile World Congress in Barcelona, one of the most important gatherings for the mobile telecommunications industry.

Key features:

- Develops strategy and standardisation for telco industry
- Scope has limitations in respect of competition law

[11] Strategies for Improving the U.S. Payment System
[12] http://www.raildeliverygroup.com/
[13] http://www.gsma.com/

- GSMA facilitates knowledge sharing between members and has an explicit role for strategy development and standardisation within the GSM-based telecommunication industry.

- GSMA's strategic initiatives cover a wide range of topics from public policy, over programmes for developing countries, to technical projects. Limitations under competition law necessarily apply as for other industry standardisation and joint research and development projects between competitors.

International Organization for Standardization (ISO)[14]

- A Non-governmental membership organisation. Its members are 165 national standards bodies. The ISO develops voluntary International Standards for almost every industry.

- Proposals for new standards are submitted to a technical committee. If the proposal is accepted a panel of experts develops the draft standard. The draft is approved by the technical committee and shared with the ISO's members to comment and vote on the draft. Drafts are accepted as ISO standard by consensus or referred back to the technical committee if necessary.

Key features:

- Develops voluntary standards
- Operates through technical committees

The Broadband Stakeholder Group[15]

- Established in 2001 to advise the UK Government, BSG aims to bring together broadband organisations to discuss policy, regulation, and commercial issues. Its original focus was on increasing the penetration of broadband in the UK. Given the advancements in this area since, in 2006 it shifted its focus towards issues in provision of and demand for 'next generation' (superfast) broadband.

Key features:

- Multi-stakeholder group
- Acts in an advisory capacity

The Payments Council (PC)[16]

- Established in 2007 as a non-statutory industry body with members including banks, building societies and other PSPs. It describes itself as a "collaborative body" which "works with the financial institutions in the payments industry as well listening to the voices of our external stakeholders"

- The PC Board has 15 voting directors, an independent non-voting Chairman, and a non-voting observer from the Bank of England. Of the voting directors, 11 are industry-appointed members, representing a cross-section of the PC membership. Five of these are appointed by the five largest Payments Council

Key features:

- Collaborative body
- Operates a 'constituency model' board
- Operates engagement with stakeholders through dedicated forums

[14] http://www.iso.org/iso/home.html
[15] http://www.broadbanduk.org/
[16] http://www.paymentscouncil.org.uk/

members, each with over 5% of UK payment volumes in qualifying payment schemes, and who thereby have a seat on the Board by right. Three of these are elected from among the medium-sized members with 1-5% of UK payment volumes, and the remaining three are elected by a constituency of members with less than 1% of payment volumes. The PC was established with four independent directors.

- The PC has engagement with users and consumers, through its forums spanning the charity, business, consumer, and technology sectors. Each forum is Chaired by an independent director of the PC Board. PC also established the Government Coordination Committee to facilitate discussions between the payments industry and government as a significant user of the payments system.

The Payment Systems Task Force (PSTF)[17]

Key features:

- Members from trade associations and other representative bodies
- Observed by regulators/ Treasury
- Published regular reports

- Established in 2003 by the Office of Fair Trading (OFT) to investigate issues identified in the 2000 Cruickshank Report on competition in the banking sector. The PSTF was a driving force behind the development of Faster Payments and established the Payments Council in 2007.

- The PSTF was set up to identify, consider and seek to resolve competition, efficiency and incentive issues relating to payment systems, particularly looking at network effects of existing payment mechanisms; and to take account of previous work on payment systems, including the Cruickshank and OFT reports.

- The PSTF met on a regular basis, around four times a year. It reported on its work programme and findings annually. The PSTF was Chaired by the OFT. Its members included senior representatives from the, British Bankers' Association, the Building Societies Association, APACS, C&CCC, BACS Payment Schemes Limited, CHAPS, the Federation of Small Businesses the British Retail Consortium the National Consumer Council, LINK, British Chambers of Commerce, Consumers' Association, Visa UK , MasterCard Europe and S2 Card Services. The Bank of England and HM Treasury sat as observers to the Task Force.

[17] http://webarchive.nationalarchives.gov.uk/20140402142426/http:/oft.gov.uk/news-and-updates/press/2004/43-04#member