

Minutes

Meeting: Payments Strategy Forum

Date / Time: 8th October 2015

Ai. 1 Welcomes and introductions

- The Chair welcomed Forum Members to the first meeting. Members introduced themselves and outlined their aspirations for the Forum strategy. A range of aspirations were presented, including a hope that industry could work in collaboration to bring about effective change in payments.
- The Chair set out her expectations on the contribution of Forum members, stressing:
 - They had been specifically chosen from almost 90 applications. Many of those who had not been selected expressed their disappointment but had demonstrated a willingness to support the work of the Forum
 - The Forum will only succeed with the full commitment from its Members
 - If this commitment is not sustained the option is there to replace Members with individuals who are willing and able to fully contribute to the work
- In setting out her expectations, the Chair outlined the following success criteria:
 - the Forum achieves general agreement on a draft strategy within 9 months,
 - strategy delivered in 12 months
 - consultation indicates general support to the strategy by the Payments Community
- Hannah Nixon, PSR Managing Director responded by welcoming the Members, acknowledged the challenges of the task ahead and thanked the Members for their ongoing support. She emphasized the importance of the Payments Community in the strategy setting process and requested the Forum to take careful consideration of the views put forward by the Community.

Ai. 2 Payments Strategy Forum Terms of Reference

- Members asked that service-users be defined to ensure that the Forum's strategy considerations are not restricted to just one group.
- It was suggested that 4-6 meetings may not be sufficient. It was agreed an additional planning session would be arranged for November and that flexibility to call further meetings will be included in the Terms of Reference.
- Members agreed that an appropriate cost benefit analysis must underpin the Forum's strategy. However, there should be an element of flexibility on its robustness to minimise the risk that this may become too onerous to agree. Members considered that the Forum should make use of pre-existing research and analysis where appropriate.
- The Chair reassured Members that any relevant existing work could be taken into account

to inform the Forums strategy setting.

- Clarification was sought on resourcing and funding of the detailed work of the Forum. Hannah Nixon emphasized that it would be for industry in its widest sense to provide the effort and resource to support the work of the Forum.
- Members proposed to allow the working group chairs, where appropriate, to utilise existing industry resources, such as the use of trade bodies. The Chair supported this approach but stressed that if an existing trade association is used, it should be made clear that it would be operating under the independent direction of the Forum and it would be the role of the working group chairs to ensure this.
- There were also questions regarding the influence the PSR would exercise over the Forum recommendations. Hannah Nixon stressed the Forum is an industry body but the PSR could step in if progress was slow or the strategy was not implemented. However this should be regarded as a poor outcome for the PSR and for the industry as whole.

ACTION: Forum secretariat to update the Terms of Reference to reflect member comments by 16th October 2015. NB: The updated and final Terms of Reference are attached as Annex 1, changes highlighted in yellow

Ai. 3 Strategy Setting Principles and Priorities

- The Forum secretariat presented the draft strategy setting principles and priorities paper, which summarised the input of the Payments Community collected by the PSR stakeholder engagement over the summer and subsequent Payments Community event on 17th September 2015. It was stressed that the views represented were that of the Payments Community and should not be seen as endorsed by the PSR.
- The Forum agreed with the high level strategy setting principles outlined in the paper and was confident these were covered by the Forum's terms of reference.
- There was general agreement that the priorities were representative of the views of the Payments Community and also reflective of research undertaken elsewhere. However, the Forum still needs the findings to be further validated.
- Members agreed that it would be helpful to create a map of the different parts of the value chain to see where detriments to system users currently exists and how any remedies could address these detriments.

ACTION: Carlos Sanchez, Sian Williams, Nick Davies and Russell Saunders, to undertake mapping exercise and present back to the Forum at its session in November.

Ai. 4 Forum work programme

- The Forum secretariat presented a possible work programme to progress the items identified by the Payments Community and develop a strategy in twelve months.
- It was agreed that the four proposed working groups – User needs; Simplifying access to markets; Financial Crime and Horizon scanning, were the correct areas of focus and should be initiated as a matter of urgency.
- The work on developing an evaluation framework will be considered at a future point.
- Once nominations have been received, the Forum secretariat will work with the Forum Chair to agree the working group chairs and their initial members.
- Calls for interest will be made to the Payments Community to participate in these working groups and the first task of the groups will be to finalise their Terms of Reference.

ACTION: Forum Members to let secretariat know by COB 12th October 2015 which working groups they would like to either Chair and / or be a member of.

Ai. 5 Forum Membership

- The Chair provided an update on the future engagement model for the Payment System Operators via a consultative group that will meet in advance of future Forum meetings. This group will be chaired by the Forum Chair and secretariat will be provided by the PSR. Members did not raise any objections to this approach.

Ai. 6 Payments Community Engagement

- Members were asked to consider a proposal for engaging with the Payments Community and provide feedback by cob 15th October 2015.

NB: the engagement approach has been agreed and published alongside these meeting minutes.

Ai. 7 Any other business

- No AOB was raised.

Attendance List

Apologies:

Faith Reynolds – Member, Financial Services Consumer Panel

Katherine Horrell – Group Treasurer, Centrica

Thaer Sabri – Chief Executive, Electronic Money Association

Attending:

Members:

Ruth Evans (Chair)

Adam Marshall – Executive Director, Policy and External Affairs, British Chambers of Commerce

Alan Smith – Head of Payments and Banking Services, Post Office

Becky Clements – Head of Payment Operations, Metro Bank

Carl Pheasey – Head of Policy, Money Advice Service

Carlos Sanchez – CEO, Orwell Group

John Hackett – Chief Operating Officer, HSBC

Lisa Felton – Head of Consumer Policy, Vodafone

Marion King – Group Director of Payments, RBS

Mark Lyonette – Chief Executive, Cornerstone Mutual Services

Michael Maier – Chief Operating Officer, Fidor Bank

Mike Smith – Commercial Director, Raphaels Bank

Neil Lover – Head of Payments and Financial Crime, Coventry Building Society

Nick Davies – Richer Data Strategy Lead, DWP

Otto Benz – Director, Strategic Payments, Virgin Money

Philip McHugh – Chief Executive, Barclaycard Business Solutions

Russell Saunders – Managing Director, Global Payments, Lloyds Banking Group

Ruth Milligan – Retail Finance Policy Adviser, British Retail Consortium Retailers

Ruth Wandhofer – Global Head for Regulatory and Market Strategy, Citi Bank

Sian Williams – Head of Financial Inclusion, Toynbee Hall

Observers:

Andrew Hauser, Bank of England

David Bailey, Bank of England

Andrew Laidlaw, Financial Conduct Authority

Hannah Nixon, Payment Systems Regulator (Present for agenda items Ai.1-3)

