

Minutes

Meeting:	PSR Board	
Date of Meeting:	02 April 2014	
Venue:	25 The North Colonnade, Canary Wharf, London E14 5HS	
Present:	Amelia Fletcher	Sir Brian Pomeroy
	John Griffith-Jones (Chair)	Martin Wheatley
	Mary Starks	Chris Woolard
In attendance:	Set out in Annex A	
Apologies:	N/A	

Quorum and Conflicts

The Meeting noted there was a quorum present and proceeded to business.

Members were asked to declare conflicts of interest at the start of any relevant items.

Sir Brian Pomeroy noted that he was Chair of the Action Group on Cross Border Remittances. The Board noted this as a standing declaration of a potential conflict and authorised it pursuant to Article 10.1 of the Company's Articles of Association.

1 Corporate Governance of the PSR

The Board considered the corporate governance document which had been produced in order to facilitate the effective operation of The Payment Systems Regulator Ltd (PSR) and various administrative matters. Following consideration, the Board:

- a) Approved the corporate governance document, subject to further discussion on the delegated financial authority limits later in this meeting;
- b) Noted the Memorandum and Articles of Association;
- c) Agreed to establish Audit, Risk and Remuneration Committees, the membership of which would initially reflect the membership of the respective FCA committees;
- d) Agreed to an accounting reference date of 31 March;
- e) Noted the appointment of the Directors and the Company Secretary;
- f) Adopted the Company Seal;
- g) Noted the registered office of the Company; and
- h) Adopted the FCA's policies in relation to freedom of information, data protection, the re-use of public sector information, procurement and equality.

2 Policy Papers

2.1 Strategic Aims and Day One Policy Targets

Ms Starks advised that Directors had requested an early discussion about the vision for the PSR and also the ambitions for day one. In the ensuing discussion, the proposed 'straw man' vision statement was considered and the following points were noted:

- it was agreed that the PSR should adopt the same cultural characteristics as the FCA;
- the draft strategic aims were considered but it was agreed that the PSR should consult on what it should deliver. Following discussion, it was agreed that the draft strategic aims as submitted to the meeting would be used as an initial working draft, subject to further refinement;
- the vision statement: 'To make payment systems work well for those that need to use them' was proposed;
- the Board also considered the draft high-level regulatory priorities for day one and what form a rulebook might take;
- following discussion, the suggested high-level regulatory priorities were noted. These would be reassessed once responses to the Call for Inputs had been received; and
- in respect of account number portability and ownership of payment system operators, a workstrand was underway to discuss ownership issues. It was likely that this would include a stakeholder workshop. The effectiveness of the Current Account Switch Service (CASS), which would impact any work on account number portability, was due to be reviewed in September, one year after CASS's introduction.

2.2 Advisory Panel

Ms Starks introduced a paper and the following points were noted:

- it would be necessary for an advisory panel to be established separately from the existing FCA panels. One panel with a wide-ranging membership would be preferable to having a multiplicity of panels. Following discussion Ms Starks was authorised to design the new panel; and
- a number of events would be scheduled as part of a stakeholder engagement programme and members of the PSR Board were invited to participate in these.

2.3 Executive Governance Structure

Ms Starks advised that:

- following finalisation of the membership of the PSR Board, interim membership of the Policy Committee, the Programme Board and the Steering Group had also now been progressed. The appointment of a Senior Adviser had not yet been agreed and this would be progressed once the Managing Director had been appointed; and
- it was agreed that any significant or 'three star' matters should be brought to the PSR Board and should be notified to the FCA Board for information, probably

through inclusion in the CEO's report. Copies of the PSR Board Minutes would also be included with the FCA Board papers in future.

2.4 Ofcom/PSR Collaborative Study

Ms Starks introduced a paper setting out proposals for an Ofcom/PSR collaborative study to consider innovation in UK consumer electronic payments:

- the study had been proposed by HM Treasury and would be a research project which would not make any recommendations;
- it would be important for sufficient resource to be allocated to the study to ensure that all the proposed stakeholders listed in the paper could be consulted; and
- following discussion, the Board confirmed its approval in principle for the study and delegated authority to finalise the terms of reference to Ms Starks.

3 Operations

3.1 Budget approval and forecasts

The financial authorities set out in the corporate governance document were considered and the Board agreed that the following approvals for expenditure would be required:

Up to £250,000 – PSR Managing Director

£250,000 to £1million – PSR Chairman or Deputy Chairman

Over £1million – PSR Board

The Secretary was asked to amend the corporate governance document to reflect these financial authority levels.

3.2 Branding

Potential branding for the PSR was discussed and it was agreed that this would be progressed with the Communications Division. The Board considered that the branding should be distinct but with some linkage to the FCA.

It was agreed that the names of the PSR Directors should be added to the PSR area of the FCA website but that there would not be any high profile communications until after the appointment of the Managing Director.

3.3 Recruitment

Ms Starks advised that some permanent staff and some contractors were now being recruited towards an eventual headcount of approximately 25 staff. Although some recruitment would be carried out before the Managing Director joined the PSR, there would still be scope for him/her to shape the organisation following their appointment. The Chair noted that interviewing of candidates for the Managing Director's role had commenced and it was anticipated that an appointment would be made shortly.

4 Any Other Business

There was none.

5 Papers for noting

5.1 Forward agenda and policy plan

The dates of Board meetings for the remainder of 2014 were noted. The Board asked for a timetable setting out the work which was expected to be submitted to the Board for consideration to be produced for the next meeting.

The meeting closed at 6.00pm

Assistant Company Secretary

Annex A: Attendees

Heather Clayton	Lucerna Partners
Jana Mackintosh	Manager, PSR
Sean Martin	General Counsel, FCA
Simon Pearce	Company Secretary
Technical Specialist	FCA General Counsel's Division
Gareth Thomas	Manager, Competition Department, FCA

Relevant associates and technical specialists also attended the meeting.