

The Payment Systems Regulator Ltd

Minutes

Meeting: PSR Board
Time & date of Meeting: 11 June 2019 at 10:30 am
Venue: 12 Endeavour Square, London E20 1JN

Present: Charles Randell (Chair)
Andrew Bailey (*from 11:00 am until 2:30 pm*)
Carole Begent Louise Buckley
Amelia Fletcher Noel Gordon
Chris Hemsley Simon Ricketts
Christopher Woolard

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. No interests in the items to be discussed were declared.

2 Minutes of the meetings held on 21 March 2019

- 2.1 The minutes of the Board meeting held on 21 March were **approved**.

3 Matters Arising

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

4 Committee Report from the Audit Committee meeting held on 18 March 2019

- 4.1 The Board was briefed on the discussions at the Audit Committee. It was noted that it had been agreed that the PSR Board should have sight of the proposed Internal Audit Plan prior to its approval by the Audit Committee. The Board also noted the PSR's role in the wider FCA procurement framework.

5 Co-Managing Directors' Report

- 5.1 The Board was informed that the transition to co-managing directors following the departure of Hannah Nixon had gone smoothly and morale in the organisation remained firm.
- 5.2 The Board discussed Facebook's plans to launch a digital coin and its implications from a regulatory perspective.
- 5.3 The Board was briefed on developments in the access to cash strategy including the PSR's work in this area. It was informed that HM Treasury had established the Joint Authorities Cash Strategy Group and that terms of reference for the group had been published on 10 June 2019.

5.4 The Board noted that the PSR followed the work led by the FCA in relation to the implementation of Secure Customer Authorisation (SCA). The Board requested a briefing on the key risks and mitigations arising in this area. It was suggested that such a briefing would also be of assistance to the FCA Board.

5.5 The Board was briefed on progress on the ongoing CA98 investigation.

6 Employee Survey Results

6.1 The Board was briefed on the results of the recent Employee Survey. It agreed that the results were pleasing and justified the work done during the year to work through the actions identified following the previous year's survey. The Board then discussed the main points arising from the survey.

7 Update on Pay.UK and the new payments architecture (NPA)

7.1 The Chair welcomed the representatives of Pay.UK and the Bank of England to the meeting. The Board received a briefing from the Pay.UK representatives on the current status of the company and their views on the development of the NPA. The briefing explained how key aspects of ongoing development were to ensure the system was resilient and had the capacity to respond to an evolving payments landscape. Strong customer buy-in to the project would also be essential for its success.

7.2 The meeting discussed the procurement process. The Board recognised that the project carried a high degree of difficulty and discussed some of the challenges this presented. It noted the Bank of England's focus on resilience that is capable of supporting competition and innovation, and the importance of ensuring the architecture is properly designed and implemented even if this put pressure on the timetable.

7.3 The Board discussed the preferred funding model and noted that this had not yet been confirmed. The Board also considered the potential impact of entrants such as Facebook with blockchain-based systems.

7.4 The Chair thanked the representatives of Pay.UK and the Bank of England who then left the meeting. The Board then discussed the presentation and considered how frequently it should receive updates from the parties concerned. It was agreed that further separate meetings should be held with both Pay.UK and the Bank of England in September.

8 Board Effectiveness Review

8.1 The Board discussed the findings of the board effectiveness review and noted that the following main themes emerged from the review were:

- senior management succession planning
- interaction with the FCA
- embedding of cultures and behaviours
- clearer definitions of success

8.2 It was agreed that the Chair and Company Secretary would work with board members to develop the way in which the board and its committees operate, so as to enhance their effectiveness in the areas highlighted by the evaluation.

9 PSR Annual Report and Accounts

9.1 The Board reviewed the PSR 2018/19 Annual Report and Accounts and the team briefed the Board on the process to produce the report and the comments that have been incorporated to date.

9.2 After discussion, and due to the near final nature of the submitted report, the Board noted that all Board members would receive the final report and approved the report subject to some minor amendments still to be processed. The Board agreed that a committee comprising the Chair, Mr Hemsley and Mr Ricketts should be established to ensure the amendments have been made and authorise the signing of the report.

10 PSR Panel

10.1 The Board noted the Annual Report of the PSR Panel and reviewed the report of its May meeting.

11 Items for noting

11.1 The following papers were **noted**:

- a) Draft Agenda for 26 June 2019 and 18 July 2019
- b) 2019 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:

Simon Pearce	Company Secretary
Kim Turner	Private Secretary to the Managing Directors
Ian Runacres	Private Secretary to the Chairman

Attending for the following items:

6	Diane Pinto	Manager, Communications and Operations
7	David Bailey	Executive Director, Bank of England
	Paul Horlock	Chief Executive Officer, Pay.UK
	Matthew Hunt	Chief Operating Officer, Pay.UK
	Gala Poole	Manager, Policy
	Nick Davey	Technical Specialist, Policy
8	Catherine Stalker	Independent Audit Limited
	Jonathan Hayward	Independent Audit Limited
9	Jane Gosling	Acting Head of Operations and Chief Risk Officer
	Amanda Ebourne	Acting Manager, Operations
	Keren Oser	Head of Department, Finance (FCA)

Other relevant associates also attended the meeting.