

The Payment Systems Regulator Ltd

Minutes

Meeting:	PSR Board	
Date of Meeting:	12 May 2015	
Venue:	25 The North Colonnade, Canary Wharf, London E14 5HS	
Present:	Amelia Fletcher	Hannah Nixon
	John Griffith-Jones (Chair)	Chris Woolard
	Sir Brian Pomeroy	Martin Wheatley
Apologies:	None	
In attendance:	Set out in Annex 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.

1 Minutes and Matters Arising

1.1 Minutes of the Board meeting held on 18 March 2015

The minutes of the Board meeting held on 18 March 2015 were approved as a correct record of the meeting.

1.2 Matters arising

The Board noted the matters arising.

1.3 PSR Executive Committee minutes of 24 February 2015, 10 March 2015, 24 March 2015 and 21 April 2015

The Board noted the minutes of the various Executive Committee meetings.

2 Board Committee Reports

The Board noted that the Audit Committee had discussed the report on the PSR's readiness. It was keen to understand the success criteria being used to measure the PSR's work and requested this be provided to the Audit Committee for review.

3 Report from the PSR Panel

The Board noted and discussed the comments provided by the Panel on innovation and communications.

The Board noted the Panel was keen to engage and add value to the work of the PSR and had asked for feedback from the Board on the Panel's report and Ms Nixon agreed to report back to Mr Locke.

4 Report from the Managing Director

Ms Nixon introduced the report and the Board discussed the following points:

- the PSR had been up and running since 1 April 2015 and the launch had gone well, including the new website; the focus was now on the forward work plan;
- the PSR had been handling a number of pieces of incoming correspondence since 1 April 2015 which had been considered to determine how they should be taken forward. The majority of issues had been re-directed to the FCA or the Ombudsman;
- the Code of Conduct for sponsor banks, being developed by the industry (currently in draft form), needs to be in place by September 2015;
- the PSR would be publishing the terms of reference for its two market studies: indirect access and payment systems infrastructures;
- the way in which the PSR was engaging with its stakeholders;
- the role of the PSR in relation to the banks' delivery of cheque imaging;

The Board agreed the proposal that Ms Begent take on the role as General Counsel to the Board. It noted that she would liaise closely with FCA colleagues to ensure any carry across implications were considered. The Board reserved its right to take other advice as needed. The Board thanked Mr Brindley for his help over the first year of the PSR.

5 Specific items of business

5.1 PSR Annual Report

The Board considered the Annual Report presented to the Board and in addition to seeking confirmation that the report was both FS(BR)A and Companies Act compliant suggested the draft be reviewed to consider what additional information was appropriate. The Board noted that the Annual Report and the Accounts would be reviewed by the Audit Committee at the end of the month.

5.2 Appointment to the PSR Panel

The Board approved the appointment of David Brooks to the PSR Panel for 3 years from 1 June 2015 to 30 May 2018, subject to the review of the Panel and its membership later in the year.

5.3 Competition concurrency

The Board considered the PSR's approach to whether it should require or expect settling parties to waive their right of appeal in settlement of PSR cases under FS(BR)A and the Competition Act 1998 (CA98).

The Board noted the liaison between the PSR, the Competition and Markets Authority, the Treasury and the FCA and the practices of both national and EU regulators where there was no consistent approach. It was noted that discussions were ongoing and on the basis of the status of those discussions the Board discussed the potential options available.

5.4 Payments Strategy Forum

The Board noted the update on the development of the Payment Strategy Forum and the progress with the recruitment process for the Chair. The Board discussed the blend of knowledge and skills required for a successful Chair and agreed that it would be helpful for Ms Fletcher to be involved in the interview process. The Board asked for any fees for PSF members to be consistent with FCA Panels and Committees.

Mr Falcon left the meeting.

5.5 Discussion: PSR regulatory fees

The Board noted that the consultation in relation to the allocation of regulatory fees was due to close on 18 May 2015 and the PSR had received some informal queries in relation to the definition of the designated payment systems. The Board agreed the proposal to issue a supplementary note on the PSR and FCA's websites clarifying that CHAPS (and not a subset thereof) was liable for payment of the PSR fees and to extend the consultation deadline to 31 May 2015.

The Board also noted the discussions with HMRC in relation to the recovery of VAT. It agreed the PSR should consider collecting fees from direct members of the operators should the issue be unable to be resolved.

5.6 Papers for noting: Sponsor bank code of conduct

The Board noted the document was set out clearly but did not include any reference as to whether banks should be fair. The Board commented it would have expected to see some references to proportionality as well as those relating to transparency.

5.7 Board only session

The Board considered the proposal to appoint two further Executive Directors to the PSR Board, noting that this was an FCA Board decision. The Board agreed to make a recommendation to the FCA Board to appoint Mark Falcon and Carole Begent to the PSR Board.

6 Forward Agenda

The Board noted the Forward Agenda.

7 Any Other Business

There was none.

Claire Strong

Deputy Company Secretary

Annex A: Attendees

Carole Begent	Head of Legal, Payment Systems Regulator (except item 5.7)
Simon Brindley	Chief Counsel of Banking, Credit & Competition, General Counsel's Division (except item 5.7)
Louise Buckley	Head of Communications, Payment Systems Regulator (except item 5.7)
Mark Falcon	Head of Regulatory Policy & Strategy, Payment Systems Regulator (until the end of item 5.4)
Dora Guzeleva	Manager, Payment Systems Regulator (for item 5.4)
Nancy Johnson	Manager, Payment Systems Regulator (for items 5.3 & 5.5)
Claire Strong	Deputy Company Secretary
Grahame Tinsley	Manager, Payment Systems Regulator (for item 5.1)
Nicole Williams	Manager, Payment Systems Regulator (for item 5.1)

Relevant associates and technical specialists also attended the meeting.