

The Payment Systems Regulator Ltd

Minutes

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| Meeting: | PSR Board | |
| Time & date of Meeting: | 10.00 on 17 July 2024 | |
| Venue: | Board Room 2.38 | |
| Members Present: | Aidene Walsh David Geale Sheldon Mills Tommaso Valletti | Joanna Whittington Edward Knapp Lara Stoimenova |
| 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.
- 1.2 No interests in the items to be discussed were declared.

2 Managing Director's report

- 2.1 Mr Geale and members of the executive team briefed the Board on a number of topical issues. Discussion included reference to the following:
 - a) Engagement with the new administration following the General Election
 - b) Engagement with Pay.UK regarding APP preparedness and progress on key workstreams
 - c) Activities to engage with wider stakeholders
 - d) An update on the organisation's financial position and business planning
 - e) Working with the FCA and options for efficiency under the provision of services agreement
 - f) Horizon scanning and updates on work related to the innovation objective
 - g) Information handling and associated reporting
 - h) Progress on the PSR's policy work including account-to-account retail payments and cross border interchange fees
 - i) Publication of the call for information on big tech and digital wallets (jointly with the FCA).
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3 APP Scam reimbursement update

- 3.1 The Board was briefed on the progress of APP Scams reimbursement work covering:
- i. stakeholder views and activity
 - ii. assessment of industry and Pay.UK readiness in response to stakeholder feedback on 7 October deadline
 - iii. assessment of additional data on high value scams
 - iv. outstanding work, dependencies and publications
 - v. communications approach.
- 3.2 The Board supported the ongoing programme of work and discussed:
- a) activities to support industry readiness
 - b) the need for a proactive communication strategy to provide consumer education and clarity for all stakeholders around requirements and timescales.
- 3.3 The Board sought ongoing assurance on delivery against dependencies and requested that significant deviations be escalated without delay.

4 Staff Survey and Climate

- 4.1 The Board was briefed on the high-level results of 2024 Employee Survey.
- 4.2 The Board noted the encouraging engagement rate and an increase in the level of confidence that the results of the survey will be acted on.
- 4.3 The importance of climate, candour and confidence in the workplace was discussed. The Board also supported working collaboratively with the FCA in responding to the survey results.

5 Cross Border Interchange Fees (XBIFS) Market Review – Planning

- 5.1 The Board discussed key aspects of the risks associated with the Cross Border Interchange Fees (XBIF) Market Review.
- 5.2 The Board noted that it may be necessary to conduct additional meetings outside of its normal cadence to allow timely consideration of XBIF related matters.

6 Securing compliance: exemptions and extensions criteria

- 6.1 The Board was briefed on the proposed Securing compliance: exemptions and extensions criteria guidance and associated Consultation Paper.
- 6.2 The Board discussed the importance of transparency, including in relation to the provision of clear timescales to manage stakeholder expectations. Options to publish exemption and extension decisions were also considered.

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| Decision | The Board approved the Securing compliance: exemptions and extensions criteria guidance, with some minor amendments. |
| Decision | The Board delegated authority to the Head of Supervision & Compliance Monitoring to agree the final edits to the Securing compliance: exemptions and extensions criteria guidance. |

7 Mid – strategy review update and messaging

- 7.1 The Board was briefed on the progress of the mid-strategy review including:
- i. proposed updated priorities and priority action areas for the second half of the strategy period
 - ii. proposed approach to articulating the PSR’s role as a regulator.
- 7.2 The Board discussed the PSR’s role as an economic regulator and how this, alongside the work of other regulators, contributed to well-functioning competitive markets. The Board raised the importance of remaining forward looking and ensuring an appropriate emphasis on the PSR’s competition and innovation objectives whilst delivering the right outcomes for users across the payments ecosystem.
- 7.3 The Board challenged the team to align the strategic objectives and priorities more closely with the PSR’s statutory objectives, with an increased focus on our work to promote innovation and competition.

8 FCA Update

- 8.1 Mr Mills briefed the Board on the business of the FCA that was of relevance to the PSR. Discussion included reference to the following:
- a) Engagement with the new administration following the General Election
 - b) Strategy development
 - c) Open Banking and the activities of the Joint Regulatory Oversight Committee

d) 2024 Employee Survey results

9 Committee and Panel Reports

9.1 The Board noted the following Committee and Panel reports:

- i) AuditCo (16/05/2024 & 25/06/2024)
- ii) RiskCo (22/05/2024)
- iii) PeopleCo (20/06/2024)
- iv) PSR Panel Annual Report 2023–24

10 Matters reserved to the Board

Decisions of the Board

10.1 Minutes of the last meeting: The Board approved the minutes of the Board meetings held on 30 April, 15 May, and 24 June 2024, subject to minor amendment to a proposed redaction.

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| Decision | The Board approved the minutes of the Board meetings held on 30 April, 15 May, and 24 June 2024, subject to minor amendment. |
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10.2 Action Log: The Board was briefed on the progress made against the actions agreed at previous meetings.

10.3 Amending PSR policy in respect of certain settlement discounts under the Competition Act 1998 - alignment with other concurrent regulators:

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| Decision | The Board approved in principle, subject to material stakeholder representations to the consultation, the amendment of PSR policy and guidance on the level of CA98 settlement discounts to align with the CMA and the other concurrent regulators (and other non-substantive edits). |
| Decision | The Board delegated the decision regarding implementation of amendments to PSR policy and guidance on CA98 to the General Counsel. |

Written Procedures

10.4 The Board noted following decisions taken since the last meeting:

- a) The extension of the Enforcement Decisions Committee Chair's term by 2 months, from 30 September 2024 to 30 November 2024 (approved on 4 June 2024).

- b) The recommendation to appoint Sheldon Mills as a NED of the PSR for submission to the FCA for approval, and to approve his membership of PSR RiskCo (approved on 13 June 2024).

Items for noting

- 10.5 The Board noted the draft agenda for 18 September 2024.

11 AOB

- 11.1 With no further business to discuss, the Chair closed the meeting.

Aidene Walsh

Chair

Annex A: Attendees**Attending all, or substantially all, of the meeting:**

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| Dan Moore | Head of Strategy, Analysis and Engagement |
| Alex Olive | General Counsel |
| Oliver Hanmer | Head of Supervision & Compliance Monitoring |
| Natalie Golding | General Counsel and Chief Operating Officer |
| Kim Turner | Private Secretary to the Managing Director |
| Sarah Day | Company Secretary |

Attending for the following items:

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| Item 2 – Managing Director’s report | No attendees |
| Item 3 – App scam reimbursement update | Claire Simpson – Senior Manager Louis Myers – Manager Ben Woodside – Manager |
| Item 4 – Staff Survey and Culture | Siobhan Sheridan – FCA Director and Chief People Officer |
| Item 5 - Cross Border Interchange Fees (XBIFS) Market Review – Planning | Pietro Menis – Senior Manager Andrew Self – Senior Manager |
| Item 6 - Securing compliance: exemptions and extensions criteria | Pietro Menis – Senior Manager Ian Blackwell – Manager |
| Item 7 - Mid-strategy review update and messaging | Simon Less – Senior Manager |
| Item 8 – FCA Update | No attendees |
| Item 9 – Committee and panel reports | No attendees |
| Item 10 – Matters reserved to the Board | No attendees |