

## Meeting Summary

### 1<sup>st</sup> Payment System Operator Delivery Group meeting

1 November 2016

25 The North Colonnade, Canary Wharf

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Present: Robert Stansbury (Chair), Faith Reynolds, Russell Saunders, Becky Clements, Nick Caplan, David Rigney, Jane Bevis

Apologies: None

Observers: Justin Jacobs, Dora Guzeleva, Jana Mackintosh

Minute taker: Sam Cope

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#### **Introductions and opening remarks**

As a start to their meeting, and the project, **Robert Stansbury (RIS)** asked the Members of the group to give their initial thoughts on the purpose and work of the PSODG.

**Becky Clements (BC)** introduced herself as a member of the Payment Strategy Forum (the Forum), appointed to the PSODG to represent small and medium sized Payment Service Providers (PSPs). She explained that she led on Payments for Metro Bank. She reflected on how keen she is for access to payment systems to get easier for new entrants. BC explained that the status quo is difficult, especially for those PSPs looking to access multiple schemes and that the Forum's proposal around consolidation should support that open access, pro-competition agenda.

**Nick Caplan (NC)** introduced himself as the Chair of Faster Payments Scheme Ltd. He set out his view that consolidation could be beneficial for service users. In particular, he explained that greater coordination across the three schemes could create benefits for competition and other key projects.

**David Rigney (DR)** introduced himself as the Chair of Bacs Payment Scheme Ltd. He reflected on the benefits that could be achieved from consolidation in the governance sphere. The potential consolidation would allow for the optimal governance to be brought to the retail payments framework.

**Russell Saunders (RS)** introduced himself as a member of the Forum, appointed to the PSODG to represent large Payment Service Providers (PSPs). He explained that he led on Payments for Lloyds Bank. He went on to reflect on how proud we should be of what we already have across the three schemes - they make payments work well every day. Building on this capability, he saw the potential consolidation as an opportunity to create something in the UK that would be far ahead of the rest of the world. But, to do this, any new entity would need to work for all stakeholders - not just major banks.

**Jane Bevis (JB)** – introduced herself as the Chair of the Cheque and Credit Clearing Company Ltd. She explained that a lot of the recent focus in her company had been on the internal change needed to deliver the programme of work to

implement the Image Clearing System. This new system would deliver a far quicker method of clearing cheques, taking the payment method into the 21<sup>st</sup> century. She stressed that there had already been a lot of governance thinking as part of their work on ICS and she would want to contribute that to the PSODG's considerations.

**Faith Reynolds (FR)** introduced herself as a member of the Forum, appointed to the PSODG to represent the interests of end users. She explained that she was interested to focus on ensuring that the benefits of the consolidation - that had been identified by the Forum - could actually be delivered. This should be both in terms of benefit to industry (connectivity, access, innovation) and also for customers (in terms of enabling the development of systems and products that are flexible to their needs). She explained that she would be looking to work to ensure alignment with the Forum as much as possible.

**RIS** concluded with his own reflections. Remarking that it would be a privilege to help move forward thinking about the potential consolidation and seek to maximise its benefit. He also recognised that we currently have a service that works, but felt the consolidation would provide the opportunity to build on that for the future. He noted that resilience would be key for making sure all transactions, whether big or small, get paid correctly on time, every time. But there were also big questions on access and service for all users in society, and in the light of the changing universe of payment service provision. This was particularly in the face of rapid innovation all around us, new technology and regulatory imperatives for continuing resilience and to enable competition in payments.

### **Terms of Reference for the Delivery Group**

The PSODG discussed a draft terms of reference (ToR) for the group which had been developed by the PSR and Bank of England and circulated to members in advance of the meeting. The group agreed its quorum and that Faith Reynolds would be the deputy chair. Various other minor amendments were proposed and the Chair undertook to discuss these with the PSR and Bank so that a final version of the ToR could be published on the PSR's website. This would be alongside summaries of all PSODG meetings to aid transparency.

### **Process considerations**

The members discussed any potential or perceived conflicts of interest that would be created by other roles that they held. The group agreed to the creation of a register of interests that would be published on the PSR's website.

The group also noted the need to be mindful of competition law throughout their discussions.

### **Workplan and resourcing the PSODG**

The Chair explained that he saw two phases to the work. The first phase, for which the PSODG is responsible, is the development of a recommendations report and implementation plan. This should be complete by end of March 2017. This would then lead to a second stage where those recommendations would be agreed and

substantially implemented by the end of 2017. It was noted that there are a number of potential dependencies and interactions with other work including the work of the Payments Strategy Forum.

The PSODG then discussed resourcing. It was agreed that all of the PSO members of the group should contribute existing work on governance to the group's consideration. Staff could also be provided to support aspects of the work, but based on a consideration of resource constraints in the PSOs and the risk to other projects, it was decided that an independent and specialist third party consultant should be appointed to support the work of the PSODG.

### **Communications**

The Group agreed that external communications would be important throughout its work. It was thought important to ensure clear and consistent communication with stakeholders such as PSO staff and UKPA. It was agreed that a summary of each Delivery Group meeting would be published on the PSR website.

### **A.O.B and next steps**

Members agreed a schedule for future meetings of the Delivery Group, to be held at **Thomas More Square**.