

The Payment Systems Regulator Ltd

Minutes

Meeting:	PSR Board	
Time & date of Meeting:	09:00 on 25 September 2024	
Venue:	MS Teams Meeting Room 01.08	
Members Present:	Aidene Walsh David Geale Andrew Buckley Edward Knapp	Sheldon Mills Lara Stoimenova (until item 2) Tommaso Valletti (until item 2)
Apologies:	Joanna Whittington	
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.
- 1.3 The Board noted that input had been sought from Ms Whittington, who could not attend the meeting, and her respective views would be fed back as part of the Board discussion.
- 1.4 The Board welcomed Andrew Buckley to his first Board meeting as a newly appointed PSR Non-Executive Director.

2 Authorised Push Payments (APP) Scams: Proposal on level of reimbursement

- 2.1 The Board thanked the team for their work at pace to undertake the consultation, review feedback and deliver clear proposals.
- 2.2 The Board was briefed on the responses to the consultation, and the basis of the resulting proposals.
- 2.3 The Board recognised the range of complex issues at play, including mixed stakeholder feedback, and therefore the finely balanced nature of the decision required.
- 2.4 Discussion included:
 - a) Whether to reduce the reimbursement level that included reference to:

- The latest data showing over 99% of reimbursement claims by volume and over 90% by value being covered by a limit of £85k.
- The desired policy outcomes in terms of achieving appropriate coverage of all fraud types and to incentivise Payment System Providers' anti-fraud measures.
- stakeholder feedback throughout the policy development process and from the most recent consultation.

b) The interplay between the PSR's statutory objectives and other relevant considerations.

c) The enduring commitment for the policy to be implemented on time to avoid delays and provide protection for end-users.

2.5 The Board noted the revised proposal, in light of feedback received, to remove the automatic link between the prevailing Financial Services Compensation Scheme (FSCS) limit and the APP reimbursement limit. The limit will be reviewed after twelve months as part of the post implementation review and based on evidence arising over that period. The policy, including the impact of the limit, will be monitored throughout that period and changes considered if appropriate. Any changes to the FSCS limit in that time would be considered alongside other factors such as the impact of any change on the operation of the policy, the impact on end-users and industry stakeholders, the potential impacts on competition, investment and innovation, and the achievement of the overall policy objectives.

2.6 The Board **agreed** with the proposal to set the maximum reimbursement limit for APP Scams to £85,000, with a review to take place twelve months after implementation.

Decision:	The Board agreed to set the maximum reimbursement level initially to £85,000, with a review to take place on the maximum level after twelve months after implementation.
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2.7 The Board discussed the critical importance of the communications approach surrounding the decision, with emphasis upon:

- a) The protections this limit affords to 99% of end-users and the importance of embedding these protections without delay, brought to life through the use of relevant case studies.
- b) The difficulty in finely balancing protection for the majority of scam victims with the need to ensure sustainability, stability and the potential for growth of the payments sector.

- c) Providing certainty to firms to support industry readiness and mitigate delay.
- d) Preparation of clear external communications including FAQs and reactive lines, recognising that the decision would not be welcomed by all.

2.8 The Board **approved** the approach of publication of an announcement of the PSR's final decision on 25 September 2024, to be followed by publication of the Policy Statement as soon as practicable thereafter.

Decision:	The Board approved the approach of publication of an announcement of the PSR's final decision in relation to the APP Scam reimbursement level on 25 September 2024, to be followed by publication of the Policy Statement as soon as practicable thereafter.
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2.9 Subject to the Board's comments made in paragraph 2.6, the Board **agreed** to **delegate** to the Managing Director and the Head of Policy authority to finalise the text of the announcement of the PSR's final decision for publication on 25 September 2024.

Decision:	The Board delegated authority to the Managing Director and Head of Policy to finalise the text of the announcement of the PSR's final decision in relation to the APP Scam reimbursement level for publication on 25 September 2024.
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2.10 The Board **agreed** to **delegate** to the Managing Director and the Head of Policy authority to finalise the Policy Statement containing the reasons for PSR's final decision.

Decision:	The Board delegated authority to the Managing Director and the Head of Policy to finalise the Policy Statement containing the reasons for PSR's final decision in relation to the APP Scam reimbursement level.
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3 AOB

3.1 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:**

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

Attending for the following item:

Item 2 – Authorised Push Payments Scams: Proposal on level of reimbursement	Isobel Oxley – Senior Manager - Regulatory Claire Simpson – Senior Manager – Regulatory Ben Woodside - Manager – Regulatory Louise Jackson - Senior Manager - Legal Samina Khan - Manager - Legal
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