

The Payment Systems Regulator Ltd

Minutes

Meeting:	PSR Board	
Time & date of Meeting:	10.00 on 13 November 2024	
Venue:	Board Room 2.38	
Members Present:	Aidene Walsh David Geale Jessica Rusu Tommaso Valletti	Joanna Whittington Edward Knapp Lara Stoimenova Andrew Buckley
In attendance:	Set out in Annex A	
Apologies:	Sheldon Mills	

1 Apologies, quorum and declarations of interest

- 1.1 The meeting was noted to be quorate and proceeded to business.
- 1.2 It was noted that Andrew Buckley had recused himself from the discussion on item 3 as agreed with the Chair and had not received any of the accompanying papers.
- 1.3 The Board welcomed Jessica Rusu to her first Board meeting as a newly appointed non-executive Director, providing cover in the absence of Sheldon Mills.

2 Managing Director's Report

- 2.1 David Geale and members of the executive team briefed the Board on a number of topical issues. Discussion included reference to the following:
 - a) An update on the Authorised Push Payments (APP) Scams work following the implementation of the PSR's reimbursement requirements, which came into effect from 7 October 2024. Initial indications suggested that the policy was working well and had been accompanied by a positive media response. Regular monitoring was taking place and no spike in the volume or value of APP Scams had been observed. The Board considered the importance of publicly recognising the APP Scams work as a positive and successful regulatory intervention.
 - b) An update on the ongoing engagement with Pay.UK.

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- c) An update on the work relating to the New Payments Architecture (NPA) including recent engagement with key stakeholders and the planned consultation on varying Specific Direction 3.

3 Scheme and Processing Fees Market review

- 3.1 The Board was briefed on the findings of the draft market review report into scheme and processing (S&P) fees and the proposed remedies consultation.
- 3.2 The potential market sensitivities associated with this work and other workstreams were also considered.

4 FCA Update

- 4.1 Jessica Rusu briefed the Board on the business of the FCA that was of relevance to the PSR. Discussion included reference to the following:
 - a) Recent enforcement activity and usage of data analytics to accelerate some enforcement processes.
 - b) Work undertaken with the Prudential Regulation Authority and the Bank of England on Critical Third Parties.
 - c) Advances in technology in terms of forthcoming findings on Artificial Intelligence (AI) usage amongst firms and innovation potential for open finance/open banking.
 - d) Internal testing of AI to improve productivity.
 - e) The FCA's developing strategy and the need to be joined-up with the PSR, with an understanding that the once the FCA's strategy had been approved, it should be presented to the PSR Board.

5 Board briefing on the Mid-Strategy Review draft publication

- 5.1 The Board was briefed on the progress of the Mid-Strategy Review (MSR) work. Discussion included reference to the following:
 - a) That the MSR work had, to date, been largely prepared before the NPV, but the team considered that the themes are consistent.
 - b) The increased emphasis on innovation.
 - c) The PSR's distinct responsibilities in the payments landscape, particularly in light of the National Payments Vision and the consequence that the MSR will need to be updated in some areas.
 - d) Setting out which current projects will be completed over the timeframe.
 - e) Selecting a realistic number of commitments that can be prioritised, achieved and deliver greatest value.

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- f) The need for the final document to be positive, short and punchy so that the key messaging is effective.

5.2 To support the further discussion intended for late November, the Board discussed preparation of the following:

- a) a one-pager that crystallises the key messages for the MSR.
- b) clarity on Board touchpoints and timelines leading to the MSR's publication.

6 PSR annual plan and budget FY25/26 and Q2 finance update

6.1 The Board considered the draft recommendations and budget envelope for the 2025/26 annual plan with reference to:

- a) The context of reduced public sector spending and the need to demonstrate efficiency and value for money.
- b) How the plan is informed by and aligns with the findings of the Mid-Strategy Review.
- c) Perceptions around any significant increase in the Annual Funding Requirement balanced against the need to retain sufficient reserves.
- d) The upcoming tabling of the proposed budget envelope at the FCA Oversight Committee in December 2024.

7 Committee and Panel Reports

7.1 The Board noted the following Committee and Panel reports:

- i) RiskCo (24/10/2024). The RiskCo Chair extended an open invitation to future meetings Lara Stoimenova as the PSR representative at AuditCo.
- ii) PSR Panel Board Report – October 2024.
- iii) PSR Panel recruitment: update and next steps.
- iv) PSR Panel 2024 annual risk report.

7.2 The Board noted that Lara Stoimenova was a member of AuditCo and she had expressed interest in attending future RiskCo meetings as relevant.

8 Matters reserved to the Board

Minutes of the last meeting

8.1 The Board agreed that the minutes of the Board meetings held on 28 August 2024, 18 September 2024 and 25 September 2024 would be approved via written procedure.

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Action Log

8.2 The Board was briefed on the progress made against the actions agreed at previous meetings.

Approval of term extensions for certain Enforcement Decisions Committee (EDC) and Competition Decisions Committee (CDC) members

8.3 The Board considered the recommendations for appointment to the Enforcement Decisions Committee and Competition Decisions Committee and noted Lara Stoimenova’s declaration in relation to David Thomas.

Decision:	<p>The Board approved the following appointments to both the Enforcement Decisions Committee and Competition Decisions Committee:</p> <ul style="list-style-type: none"> i. The reappointment of Simon Polito for a third term from 13 December 2024 to 12 December 2027. ii. The reappointment of Lesley Ainsworth for a third term from 13 December 2024 to 12 December 2027. iii. The reappointment of David Thomas for a third term from 13 December 2024 to 12 December 2027.
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Items for noting

The Board noted:

- a) The Payments sector data trends report and commended the team on the progress made.
- b) Draft agenda for 22 January 2025.

9 AOB

9.1 The Board considered the recommendation to appoint Jessica Rusu’s to RiskCo in the absence of Sheldon Mills.

Decision:	The Board approved the appointment of Jessica Rusu to RiskCo.
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9.2 The Board noted that an update regarding the Cost-Benefit Analysis (CBA) Panel Annual Report would be circulated to the PSR Board for noting around the same time as its submission to the FCA Board on 19 December.

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

Aidene Walsh

Chair

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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 items:

Item 2 – Managing Director’s update	No attendees
Item 3 – Scheme and processing fees market review	Alan Reilly – Technical Specialist Adriano Basso - Technical Specialist Anthony Pygram – Senior Manager Pietro Menis – Senior Manager Fiammetta Gordon – Senior Manager
Item 4 – FCA Update	No attendees
Item 5 - Board Briefing on the MSR draft publication	Mike Chambers – Senior Advisor Simon Less – Senior Manager
Item 6 - PSR annual plan and budget FY25/26 and Q2 finance update	Simon Less – Senior Manager Julia Minulescu – Manager Natasha Pesaro – Manager Danielle Banaszak – Manager (virtual)
Item 7 – Committee and panel reports	No attendees
Item 8 – Matters reserved to the Board	James Jamieson - Technical Specialist Matthew Cherry - Senior Manager