

Minutes

FCA/PSR Access to Cash – Working Group 2: Access to Branch Services

12th November 2020 (Session 6)

Location: The Meeting took place via video/audio link

Attendees:

Name	Organisation
Helen Grimshaw (Chair)	RBS/NatWest
Sam White	Barclays
Cathy Jenkinson	Danske Bank
James Rowe	Lloyds Banking Group
Lorna Rimmer	Lloyds Banking Group
Emma Griffiths	Nationwide
Ross Borkett	Post Office
Tamsin Byrne	Metro Bank
Philip Trew	NatWest
Andy Hockley	Santander
Amanda Bell	TSB
Peter Tyler	UK Finance
Luke Charters	FCA
Marc Maxfield	FCA
Philip O'Donnell	PSR
Fiona McLaren	PSR
William Morello (observer)	HM Treasury
James Rattigan (observer)	HM Treasury
Sowmya Ganti (Secretariat)	Accenture

Apologies: Martin Henry (AIB), Peter Seymour (Cardtronics), Mark Draper (Santander), Duane Campbell (Tesco Bank), Lyn Rose (Virgin Money), Sagar Shah (Bank of England)

Item:

1. Standing agenda items and actions (incl. Terms of Reference)

Minutes and actions from previous working group session have been accepted.

The Chair reminded Working Group 2 members that minutes were being published and an intention to also publish the Terms of Reference. To that effect, the Chair asked the members if they had any comments, feedback or objections on the latest Terms of Reference shared with the group. The chair confirmed that she has reviewed the Terms of Reference. The members said they had no objections and approved the Terms of Reference.

2. Updates from Steering Group (9 Nov), Chairs meeting (10 Nov) & Dec Steering Group

The Chair provided an update from the Steering Group meeting (9 November) and gave a brief summary on each of the working group's progress and the plan for the next Steering Group in December.

The Chair said some other broad questions were raised in the meeting. One was around bringing cash acceptance into scope. Another was around taking costs into account and coming up with optimised/appropriate solutions to each problem statement, rather than trying to list out all problems which could potentially lead to unintended consequences.

The Chair said that the steer was to arrive at solutions for next Steering Group with a clear view of those that industry can solve themselves and can move on with, and those where there is need for help or interventions.

To bring the narrative from all the working groups together, a storyboard that consolidates outputs from all the working groups is being developed for Steering Group in December. Accenture have set-up a meeting with the working group chairs for 16 November to discuss the storyboard.

3. Discussion of material from Working Group 1 – are we aligned on priorities? (sole traders / charity accounts)

The Chair provided an update from a recent meeting regarding the Bristol University findings. The Chair highlighted that the data showed that the switch from free-to-use to pay-to-use ATMs had impacted deprived areas most.

The Chair informed the working group that Working Group 1 were still finalising their output on consumer need and opened the discussion for comments. One of the immediate observations was that customer data was more detailed than SME data. One of the working group members highlighted that the SME scope didn't include large businesses and charities/voluntary sector, which contradicted with the Working Group 2 approach. Another comment was raised regarding the priority of legal tender as a key attribute for cash for personal customers.

The working group members felt that Working Group 1 had too much data, which was limiting the ability to draw definite conclusions at this stage. There is confirmation, particularly from those that were also part of Working Group 1, that Working Group 1 recognises this challenge and is working towards prioritising these needs. The Chair confirmed that Accenture will help bring these outputs to a level where solutions can then be identified.

The Chair confirmed that the feedback will be taken into Working Group 1 and the weekly Chairs' Meeting.

4. Update on Post Office 'pain points'

Breakout group 4 consolidated issues raised into a summary, with three prioritised areas. The Post Office view and response to issues identified was discussed.

The Post Office said that they welcome discussion around proportionate oversight that helps support long term sustainable solutions. There are suggestions that would need to be worked through in much more detail, taking into consideration different regulatory environments, closure standards and banking protocols that apply to branch closures but are not suitable to be applied to Post Offices branches.

Regarding right-sizing capability and service, while the Post Office provides a standardised set of core services across the branches, the Post Office believes there is an opportunity to spend more time looking at local needs to evaluate where they could provide more substantial services.

Linked to the above, there is an opportunity to link this work to Working Group 3 around withdrawals. There is wider scope for industry collaboration to look at supporting mechanisms that can map out appropriate coverage in an area, beyond Post Office needs, and come up with solutions that can meet demand.

The Chair emphasised the importance of industry collaboration to help address issues and acknowledged the similarities to other potential service providers.

The Chair and working group members agreed that the prioritised areas seemed sensible and was a useful overview. She asked for the Post Office response to be shared with Working Group 3 before finalising a version to share in the December Steering Group. Additionally, the Chair asked the working group members to review the detail to ensure the content is fit to share with Steering Group.

5. Other SME deposit solutions – critical success factors

In the previous working group session, there was a discussion around players other than Post Office that could offer SME deposits.

Some of the ideas that the working group members proposed were

- Looking at a matrix view of what the post office provides, what alternative providers have and identify gaps/challenges
- Know Your Customer (KYC) and anti-money laundering (AML) considerations
- Common standards for security, resilience, quality of service etc.
- Solution for passbook customers, which Post Office don't currently support.
- SME deposit takers as part of LINK.

The Chair proposed a group review the options from this discussion, evaluate what factors to consider, common standard service criteria (e.g. KYC/AML, framework agreement, pricing) and formalise them to present at next working group session.

6. Next Steps/AOB

N/A