

The Payment Systems Regulator Ltd

Minutes

Meeting: PSR Board
Time & date of Meeting: 09 May 2018
Venue: 25 The North Colonnade, Canary Wharf, London E14 5HS

Present: Carole Begent
Amelia Fletcher
Noel Gordon
Hannah Nixon
Charles Randell (Chair)
Simon Ricketts
Christopher Woolard

In attendance: Set out in Annex A

Apologies: Andrew Bailey, Bradley Fried

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 Minutes of the meeting held on 14 March 2018

- 2.1 Subject to minor amendment to section 10 the minutes of the Board meeting held on 14 March 2018 were **approved**.

3 Matters Arising

- 3.1 The progress in respect of matters arising from previous meetings was **noted**.
- 3.2 Simon Ricketts reported back from his meeting with the FCA's Chief Information Security Officer (CISO) held on 16 April 2018. The Board considered that it would be useful for Simon to continue his engagement with the CISO, and in addition meet with the Chief Information Officer (CIO), to further understand the prioritisation of the cyber resilience programme.

4 Committee reports

- 4.1 **Audit Committee meeting held on 7 March 2018:** Following the verbal update provided by Louise Buckley at the Board meeting on 14 March the minutes were **noted**.

5 PSR Panel update

- 5.1 **Panel Board report:** The Board acknowledged the issues raised in relation to the needs of small business users and **agreed** that these should be further explored with the Panel.

The Board were also keen to understand any current or planned activity by the PSR in this area.

5.2 The Board **noted** the report from the PSR Panel.

Panel position paper on the cards market in the UK: The Board acknowledged the issues raised in relation to the cards market and considered that many of these would be picked up by the planned work in this area to explore wider issues relating to the way that the cards market works. This was announced in the Annual Plan and will be discussed further in the July Board meeting.

5.3 The Board **noted** the position paper.

5.4 **Panel membership re-appointment:** The Board **approved** the re-appointment of John Howells as member of the Panel for an additional term of 2.5 years from 1 June 2018 to 30 November 2020.

6 Report from the Managing Director

6.1 In **considering** the report the Board **noted** the following updates:

6.1.1 Work had commenced with the FCA and Bank of England to ensure a joint vision for the payments sector including a clear articulation of respective roles. This was an intended topic for the Board's September away day.

6.1.2 The Managing Director would be appearing at an evidence session on ATMs in Scotland at the Scottish Affairs Select Committee hearing on 15 May.

6.1.3 The Board received an oral update on the progress of the PSR's first antitrust investigation under the Competition Act 1998 (CA98), noting that that the focus was on the review of a large quantity of documents.

6.1.4 In its response to the PSR's open letter the NPSO had committed to working towards addressing all the priority areas identified. In follow-up, the Board requested a paper setting out the PSR's assurance framework for ensuring that competition considerations would be suitably embedded within the NPSO's procurement process, reflecting the infrastructure market study remedies.

7 Twice yearly discussion of risk

7.1 The Board **endorsed** the proposals for the format of future risk reports (as set out in paragraph 1.3) along with the following additions:

7.1.1 commentary on changing moods/thinking in relation to individual risks (where relevant)

7.1.2 heat map or impact/probability matrix summarising the strategic risk register (SRR)

7.1.3 summary of risks that had been excluded/removed from the SRR

7.1.4 discussion of the SRR at meetings to include consideration of any gaps/risks not included

7.2 In **noting** the strategic risk register (SRR) the Board **considered** whether the risks were effectively articulated to clearly evidence the approach to legal challenge and to ensure that people responsible for projects think about the broader sector risks:

7.2.1 Potential additional risks considered also included:

7.2.1.1 the PSR's remit and regulatory perimeter being misinterpreted

7.2.1.2 the pace of digitisation/innovation causing harm

7.2.1.3 cyber resilience across the payments sector as well as within the PSR

7.3 In addition, the Board welcomed the revised taxonomy and noted the intended appointment of a new senior advisor.

8 Update on the APP scams contingent reimbursement model

8.1 In **considering** the report the Board **noted** the following updates:

8.1.1 a steering group had been established to develop the contingent reimbursement model (CRM) and discussions with stakeholders indicated wide commitment to this work

8.1.2 the steering group had agreed the principle of reimbursement for those consumers who could demonstrate that a "requisite level of care" had been taken. What constitutes this requisite level of care is the steering group's next stage of work. It will also consider the funding model for reimbursement of customers in circumstances where both the customer and the relevant PSPs have applied the expected level of care (the "no blame" scenario)

8.2 In considering the requisite level of care the Board noted the importance of taking consumer vulnerability into account and welcomed the involvement of associated stakeholder groups.

8.3 Case studies were also considered to be a useful tool with which to test the CRM during its development, including the consumer requisite level of care. It was noted that the wider consumer journey, including the right of consumers to complain, was being considered by a separate working group which will report into the steering group.

8.4 Further updates were intended at the July and September Board meetings.

9 Implementation of GDPR in PSR

9.1 In considering the report the Board noted the following updates:

9.1.1 The process to review relevant IT and operational contracts was currently underway and was being led by the FCA. The Board requested that an update on the progress of this review be provided to the next meeting.

9.1.2 External DPO advice would be procured in the event of a conflict of interest between the roles of Data Protection Officer of the FCA and PSR.

9.2 The Board **approved**:

9.2.1 The designation of the FCA's Data Protection Officer (also its Chief Information Security Officer) as the Data Protection Officer for the PSR

9.2.2 The proposal that the Data Protection Officer reports regularly to the Board, in addition to an annual report on compliance and assurance, in respect of any conflicts of interest and the most serious incidents/breaches (if any)

9.2.3 That the contractual arrangements for the Data Protection Officer be captured in the SLA and to delegate authority to HoD Communications & Operations / Chief Risk Officer to finalise these arrangements.

10 PSR annual report & accounts 2017/18

10.1 In **noting** the first draft of the 2017/18 annual report and accounts the Board **considered** the following and whether they were sufficiently captured:

10.1.1 strategic aims and challenges and how these related to the activities undertaken

10.1.2 reference to people e.g. service users

10.1.3 reference to performance

10.2 The Chair noted the need for the tone of the document to be balanced in relation to successes and challenges.

10.3 The Board **agreed** to delegate further drafting and editing to the PSR project team and SLT with the final draft to be submitted to the Board on 27 June for approval.

11 Employee survey results

11.1 The Board **noted** the results of the 2018 employee survey and the outcomes of the staff session held on 26 April.

11.2 SLT had been encouraged by the high level of staff engagement in both activities. Whilst some results were considered to be attributable to the size and maturity of the organisation the Board considered that additional insights could also be found from benchmarking against similar types of organisations.

11.3 Additional staff sessions to explore three top themes would be held in May 2018, the outcomes of which would be reported to the July Board.

12 Papers for noting

12.1 The following papers were **noted**:

12.1.1 Minutes of ExCo minutes held on 27 February and 10 April 2018.

12.1.2 Draft agenda for the meeting on 27 June 2018

12.1.3 Draft agenda for the meeting on 12 July 2018

12.1.4 Forward agenda 2018

13 Any other business

13.1 With no further items of business to discuss the meeting **closed**.

Charles Randell

Chair

Annex A: Attendees

Attending all, or substantially all, of the meeting:

Louise Buckley	Head of Department, Communications & Operations and Chief Risk Officer, PSR
Matthew Cherry	Head of Department, Regulatory Strategy & Policy
Sarah Day	Assistant Company Secretary (FCA)
Simon Pearce	Company Secretary

Attending for the following items:

8	Fod Barnes	Senior Advisor
	Jane Gosling	Manager, Communications & Operations
9	Amanda Butler	Contractor, Legal
	Janet Duggan	Manager, Legal
	Dora Guzeleva	Manager, Policy
	Toby Parker	Manager, Communications
10	Amanda Butler	Contractor, Legal
	Andy Cobbett	Chief Information & Security Officer
	Janet Duggan	Manager, Legal
	Jane Gosling	Manager, Communications & Operations
12	David Godfrey	Director, Finance (FCA)

Relevant associates also attended the meeting.