

Pay.UK Limited Minutes of the Switching Services Participant Committee held on 15 October 2020 at 10:30 via Zoom

ATTENDEES:

Jo Kenrick

ORGANISATION:

INED (*Chair*)

Pay.UK (*Secretariat*)

Pay.UK
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Pay.UK (*AI 10/20.01*)
Pay.UK (*AI 10/20.01*)
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Pay.UK (*AI 10/20.03*)
Pay.UK (*AI 10.20.04*)
Bank of Ireland
Barclays Bank PLC
Clydesdale
HSBC
INED
INED
Lloyds Banking Group
Nationwide
NatWest Group
Santander

APOLOGIES:

Handelsbanken

10/20.01 CASS & CISA Budget Update

The Chair thanked Participant for providing feedback and points of discussion ahead of the meeting.

CISA

The Cash ISA (CISA) year to date and full year forecast was presented **[Redacted – commercially sensitive]**. The Chair assessed that the price increase was implemented at the right time, in light of Covid-19 and the associated decrease in volumes. A Participant raised caution that although volumes have stabilised, it would suggest not to reduce the price again in light of the uncertainty of the current climate; this was agreed. **[Redacted – commercially sensitive]**.

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02/12/20

The CISA forecasted budget for 2021 was noted; this has been assessed using the same level of price per transfer as 2020. **[Redacted – commercially sensitive]**

Pay.UK have reviewed the NPA costs for CISA and CASS and have received a smaller allocation overall of costs in contrast to 2019.

Pay.UK advised that it has two scenarios to assess the impact on deferred income if no changes are made to the price for 2021. **[Redacted – commercially sensitive]**

Participants were asked to agree the expenditure including the level of deferred income. **[Redacted – commercially sensitive]**

It was challenged what aspect of NPA is expected to impact CISA, Pay.UK advised that both CISA and CASS are part of the scope of NPA and given both services work off the current Bacs infrastructure contribution to the NPA programme is required by all the services in scope. As part of the review the amount of the funds required from CISA and CASS was reduced. A Participant added that it should be noted not all Participants would benefit from this approach.

[Redacted – commercially sensitive] The Chair suggested a further piece of work be undertaken by Pay.UK to establish the sensible amount of deferred income before Participants agree the approach re deferred funds. **[Redacted – commercially sensitive]** Pay.UK agreed to create and issue a summary note ahead of the next meeting. Participants agreed the proposed 2021 budget Plan. It was also agreed to hold the pricing stable for next year and to allow Pay.UK to provide the proposal requested for the Committee to discuss the approach in more detail and conclude the best way forward. A Participant reminded Pay.UK to consider that the financial calendar year differs amongst Participants, so if there is a consideration around potential refunds of excess funds it is likely no one point in the year would work for every Participant.

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CASS

The CASS year to date and full year forecast was presented. **[Redacted – commercially sensitive]** The full year 2021 pricing options for CASS were noted; **[Redacted – commercially sensitive]** However, Participants requested Pay.UK collate a summary of the journey CASS has gone on since launch and the various price increases, including details of year on year costs to better articulate the story, not forgetting that the price per switch enables the Comms and Marketing costs to be included in the budget as opposed to making a separate call for this from Participants and to note on future payments the ideal deferred income amount to be maintained. In addition, it was agreed if positive volumes are seen by spring 2021 consideration needs to be given on remitting funds back to Participants or changing the price again. Pay.UK agreed to complete a summary in preparation for the next meeting and include a note on future finance papers to outline the CASS minimum deferred income amount approved by the Committee.

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10/20.02 Risk Update

Pay.UK advised that its Business as usual risk profile remains relatively stable. The focus is now moving towards long term post Covid-19 emerging risks, taking into consideration the impact of a second wave of infection and the economic downturn and any resultant instability. In- light of risk activities; the assessment of the top strategic risks is near completion. The strategic risks have been reviewed against an agreed set of criteria to determine risks which need to be reviewed by the Pay.UK Executive and Risk Committees.

Pay.UK is working to develop the Key Risk Indicators (KRI) and link the operational lower level three RCSA risks and controls to the strategic risks and aligning both to the Enterprise Risk Management Framework (ERMF). Pay.UK continue to monitor circumstances arising from Covid—19 in order to provide a robust and resilient service. Experience over the last few months has proven that pay.UK has continued to operative effectively throughout the pandemic.

Pay.UK advised that is not mandating that staff return to the office at this time; the majority of staff continue to work from home. The focus of this pilot being to enable and support efficient and effective working both in the office and at home, with a more balanced approach post Covid-19. The Chair queried whether Pay.UK had planned to reinvigorate the approach as the UK are nearing a second lockdown over the winter to boost morale. Pay.UK advised that it has re-assessed the risk and taken consideration on personal impacts staff could be facing and advised that there is support available, Pay.UK will continue to make office environment available to those who require it and provide assurance where possible. A participant raised a query against the business continuity plan and how Pay.UK manage any further risk around

technology/ internet connection failure. Pay.UK advised that this specific risk has not yet been explored however the Pay.UK Business Continuity Team do regularly review a range of risks which would address internet outage. Pay.UK continue to monitor any potential emerging issues, holding monthly calls with all SS Committee reps; operational incidents remain low.

10/20.03 Communications and Marketing Update

Pay.UK aim to continue to maintain 75% awareness whilst demonstrating communications which reach target audiences (18-24's, financially vulnerable, SME, high credit balancers and overdraft user). The communications campaign approach was noted.

[Redacted – commercially sensitive]. The Committee agreed the 2021 budget and approach.

10/20.04 Pay.UK Exemptions Process

As part of the on-going review within Pay.UK to consolidate the procedures within the schemes and services, a review of the exemption's management process has been undertaken. A consistent approach for exemptions has been agreed. Pay.UK has also aligned the reporting template so all services/schemes will use the same. The Committee noted the changes.

10/20.05 Pay.UK Enforcement Process

Pay.UK provided an update on the Enforcement process for non- compliance; the process consists of eleven stages ranging from initial communication between the Pay.UK Operations Team and the Participant Operations Team to attempt to find a resolution to progressing the issue at Executive level. Pay.UK advised that it is in the process of finalising the timelines of each stage. Sign off will be sought from the Pay.UK Governance Committee. Once achieved a copy of the enforcement process will be shared with Participants.

10/20.06 Workstream Update

The Quarter two (Q2) summary for CASS future Scenarios and Strategic Themes were noted and confirmation that a full presentation will be shared at either the December 2020 or first meeting of 2021 on how these are being aligned to the wider Pay.UK Strategic Themes. It was advised that the first of the two CASS Strategy Days is due to be held on 19 October at 10:00, invites have been issued yet some attendees have experienced issues receiving these and/or the registration emails with the conference dial in details. Additional emails have been issued to correct this. Registration numbers are positive for both events.

10/20.07 Participant Dashboard

The latest SSPC Dashboard which was issued offline was noted.

10/20.08 Minutes of the Previous Meeting

The Minutes of the meeting held on 26 August 2020 were signed off without comment.

10/20.09 Action Log

All actions featured on the Log were confirmed as complete and proposed to close, aside from 08/20.07 which was carried forward to 02/12/2020.

10/20.10 Any Other Business

Date of next meeting: 2 December 2020 at 10:30
