

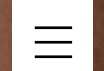
# Participant Advisory Council Annual Report 2020



# Contents

|                             |           |   |           |
|-----------------------------|-----------|---|-----------|
| <b>1. Introduction</b>      | <b>03</b> | <b>2. Strategic advice</b>                            | <b>06</b> |
| Introduction from the Chair | 04        | NPA   | 07        |
|                             |           | Corporate strategy refresh                            | 08        |
|                             |           | Standards   | 09        |
|                             |           | Horizon scanning and industry innovation              | 10        |
|                             |           | Other matters   | 11        |
|                             |           | Faster Payments in a retail environment               | 11        |
|                             |           | Reducing industry cost                                | 11        |
|                             |           | Digital ID  | 11        |
|                             |           | Alignment with the End User Advisory Council          | 12        |
|                             |           | Looking ahead   | 13        |
|                             |           | <b>3. Members of the Participant Advisory Council</b> | <b>14</b> |





# Introduction

# 1



# Introduction from the Chair



Welcome to the third annual report outlining the work of Pay.UK's Participant Advisory Council (PAC). Our council was formed in 2018 and we operate as a non-executive advisory group. Our key objective is to represent the interests of the actors and participants from across the payments industry, working collaboratively to advise Pay.UK on the impact of its decisions on the industry now and in the future.

Our work sees us provide advice, give feedback, and make recommendations to Pay.UK on issues that are likely to be of current or future significance to participants in payment systems. We also assist Pay.UK as it seeks to find answers to participant challenges, ensuring evidence-based solutions. Our members have been appointed because of their relevant experience and expertise, rather than as representatives of their organisations. The purpose of their involvement is to share their individual insight, not to champion their organisation's interests.

In 2020 we continued the excellent progress that we had made in the previous 12 months, and I strongly believe that our advice made a significant and positive impact on Pay.UK's work over the year.

We have had rich and valuable discussions during our meetings, on topics as varied as: payments in a retail environment; horizon scanning; Pay.UK's corporate strategy refresh; and the work of its Standards Authority. We also

made a concerted effort to work more closely with the End User Advisory Council as so much of our work is relevant to them and vice versa. The Covid-19 pandemic has undoubtedly had an impact on the schedule of work and the advice that the council has been able to give to Pay.UK, but it has also allowed us to advise on the impact that the unfolding implications of the pandemic, such as home working, are having on the industry.

To conclude, this report seeks to highlight our work across the year, our recommendations and, ultimately, how we have made a positive contribution to Pay.UK's achievements and outcomes in 2020.

**Jean-Yves Rotté-Geoffroy**  
Chair  
Participant Advisory Council

“  
In 2020 we continued the excellent progress that we had made in the previous 12 months, and I strongly believe that our advice made a significant and positive impact on Pay.UK's work over the year.

*We assist Pay.UK as it seeks to find answers to participant challenges, ensuring evidence-based solutions.*



# Strategic advice

# 2

# New Payments Architecture

As Pay.UK continued to define the New Payments Architecture (NPA), the council supported the Board, and Executive where appropriate. Although the NPA wasn't discussed as such, the overall advice helped Pay.UK in its direction and strategy, of which the NPA is a part.

We shared our views on specific areas of operation and development to be aware of as it shapes its strategic direction for the next few years, particularly focusing on Pay.UK's future role within the payments ecosystem. We noted that Pay.UK currently has two fundamental roles, namely as the guardian of the existing retail payments ecosystem, as well as playing an important role as market catalyst for payments innovation within the UK. The speed of technological innovation and advancement in the payments ecosystem need to be key considerations for Pay.UK as its guardianship role evolves.

We also advised Pay.UK to continue to focus on the bigger picture of its wider role as an integral part of that ecosystem, rather than being solely defined by its work on the NPA programme. Looking to the future, we emphasised that Pay.UK should focus its guardianship and innovation roles on enabling positive end user outcomes.

# Corporate strategy refresh

## During 2020 we were actively involved in Pay.UK's corporate strategy refresh.

We had previously discussed with Pay.UK the ambiguity around its current and future role, and the necessity to refresh its strategy. When Pay.UK's strategy was originally launched its objectives focused on bringing the individual payment schemes together in a single organisation, while providing robust and resilient operations. With the successful creation of Pay.UK, these objectives now need to evolve to help it keep up with the pace of change within the world of payments, and to ensure the continued safety and security of retail interbank payments.

One specific learning from the previous strategy was the importance of Pay.UK engaging regularly with its participants. Pay.UK held a number of workshops with participants in 2020, to prioritise what

participants considered important. The insights and market intelligence from these workshops helped inform the refreshed strategy.

We advised that it was important that the final strategy offered flexibility to allow Pay.UK to 'pivot' as the environment evolves. We also highlighted that it would be difficult for Pay.UK to define its purpose and mandate solely within a strategy paper. We put forward a further view that any corporate strategy refresh needed to look beyond a five-year cycle in order to obtain buy-in and consensus from participants, regulators and other key stakeholders.



# Standards

Pay.UK advised that it was moving away from a focus on 'payment messages' and was instead focusing on the exchange of data that could drive clearing and settlement. The ambition being to use standards to transform what Pay.UK is doing, rather than augment what is already being done. This would require significant investment, testing and a close steer from industry stakeholders to enable tangible benefits.

In the 18 months leading up to December 2020, we provided Pay.UK with detailed commentary on the outline of its existing and future approach to standards. Our ongoing engagement played an important part in the direction that Pay.UK is taking in relation to standards and the benefits they can bring.

Ultimately, this manifested itself in a consultation on the detail and implementation of the next generation standard for UK retail payments, published on 30 November 2020. Pay.UK received a large number of responses to the consultation, including from PAC members.



# Horizon scanning and industry innovation

As part of its work on innovation, Pay.UK examined key developments within the payments ecosystem and identified specific industry challenges that it discussed with PAC.

In order to meet the needs of the emerging technical overlay services and wider payments innovation, Pay.UK identified the need to build and enhance relationships with new and influential organisations outside its comfort zone. The council discussed the types of companies that Pay.UK was reaching out to and the extent to which it should be actively engaged with ‘disruptors’ such as Apple, Amazon, Google and Netflix.

We advised that Pay.UK should recognise the challenge these market influencers could bring to the payments infrastructure in the short-term. Our members suggested that Pay.UK should clearly set out its purpose and the importance of the standards and services that it provides to these industry influencers in order to facilitate engagement.

Pay.UK’s Research and Innovation team also highlighted some key themes (including ‘atomisation’, ‘virtualisation’ and ‘internalisation’) that could impact the future of the payments industry. From our participant angle, we advised Pay.UK that it should not rely on its provision of standards to give it an industry advantage. Pay.UK should broaden its thinking around innovation and the role of real-time payments, for example in complementing or challenging card-based propositions such as payment wallets. Alongside the clear articulation of its purpose, the Pay.UK Board should carefully balance between cost and innovation; reducing costs in step with innovation could then lower the cost of providing central services and help remove barriers to innovation.



# Other matters

## Payments in a retail environment

Pay.UK highlighted the trends related to using the Faster Payment System to make payments in a retail environment (known as 'A2A' payments). Take-up of paying at the point-of-sale has been low, and we discussed the potential obstacles to this type of payment, which included organisations being keen to protect their card revenues, rather than promote this alternative way to pay.

## Reducing industry costs

Pay.UK has been investigating potential ways to reduce industry costs including achieving savings during the NPA implementation phase through participant collaboration, rather than each institution duplicating their individual efforts. We discussed these options and considered the possibilities of proactive intervention in the payments ecosystem to prevent duplication of effort for the benefit of end users.

## Digital ID

We welcomed Digital Identity Net to our meeting in June to showcase its work on a digital identity assurance network to connect people, businesses and banks, and what it might mean for the future of payments.

We discussed the challenges of fraud, digital acceleration and consumer frustration with identification assurance. We recognised that banks are seen as the current custodians of trust for payments and discussed securing payments through an appropriate assurance process. We also highlighted to Pay.UK the need for secure customer authentication.

# Alignment with the End User Advisory Council

We saw a significant and increasing crossover with our work and that of Pay.UK's other advisory council, the End User Advisory Council. We decided to schedule our meetings for the same day so that we could add more value and insight through joint sessions.

We successfully held joint working group meetings in February and March 2021 focusing on Pay.UK's innovation vision, and its work to create a 'payments roadmap' aimed at supporting entrepreneurs across the payments landscape.





# Looking ahead

Looking ahead in 2021, we plan to continue offering Pay.UK our wide-ranging participant perspectives and advice concerning the future of payments. In 2020 we worked hard to ensure that our collaboration with the End User Advisory Council brought together our collective expertise for the benefit of Pay.UK and its customers. We look forward to continuing to work together in the year ahead.

In order to make best use of our advice and unique point of view, we continue to emphasise that Pay.UK should include us as early as possible in its thinking on a broad range of subjects, including innovation and changes that could affect the future of payments or the wider ecosystem. Covid-19 has shown that there can be unexpected changes on the horizon, but that we have the flexibility, scope and ability to support Pay.UK with our advice in a changing landscape.

We look forward to continuing our collaborative input and making valuable contributions to Pay.UK and its work in the future.

# Council members

# 3



# Members of the Participant Advisory Council



**Jean-Yves Rotté-Geoffroy**  
Chair

Jean-Yves is an Independent Non-Executive Director of Pay.UK and Chair of the Participant Advisory Council. He has led procurement for some of the world's biggest brands and has extensive experience in post-merger value creation. After working on the external sourcing of innovation at P&G in the 1990s he joined InBev in 2002 as procurement director and later became part of the AmBev executive leadership team. Other roles included Group Chief Officer at GSK. Jean-Yves is Senior Advisor at McKinsey.



**Dave Allen**  
PAC Member

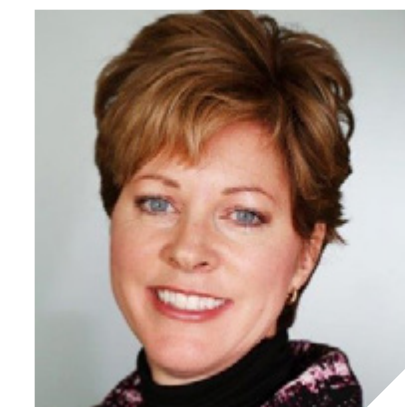
Dave is a founding partner at Charteris Consulting. He has over 25 years' business and IT experience and has worked with most of the major UK banks and many other financial institutions in both business development and delivery roles. Many of Dave's roles have been heavily focused on payments, mostly from a vendor perspective and he has held senior posts in equensWorldline, Vocalink, Coopers & Lybrand, Logica, Wincor Nixdorf and other IT consultancies.

Dave is also the co-founder and Deputy Chair of the Payments-ID working group, which comprises senior representatives from the payments community working towards a Digital Identity Scheme.



**Kyle Callendar**  
PAC Member

Kyle runs Payments at Monzo including responsibility for the firm's Payments infrastructure, Open Banking infrastructure, and Savings Marketplace. Originally from the USA, Kyle has spent his entire career in Banking and Fintech, working in the CDO team at US Bank 2007-2010 and at Square in numerous roles across Finance, Business and Operations from 2010-2019 before joining Monzo in his current role at the end of 2019. Kyle is also a Partner in Unwritten Wines and lives in Belsize Park with his wife.



**Marcia Clay**  
PAC Member

Marcia is Senior Vice President, Market Development for Mastercard UK, Ireland, Nordics & Baltics. In this role she is responsible for developing and executing the Mastercard business strategy and development plans to drive market growth and performance. Previously, she managed Key Customer relationships at Mastercard. Before joining Mastercard, Marcia was Vice-President, Client Development at First Data. Prior to this, Marcia held a number of roles at American Express, leading new product development and marketing strategy with international market teams, expanding key industry relationships within the travel sector and developing the American Express card acceptance network.

## Council members continued



**Becky Clements**  
PAC Member

Becky is currently Director of Payments for UK Finance leading a strong team with deep domain knowledge delivering thought leadership on policy, working closely with the regulators in the UK and Europe for the good of the membership. She is also a member of the SWIFT UK Board as an observer and represents the UK on the European Payments Council Board.

Becky has close involvement with the UK's Payment Systems Regulator (PSR). She has sat on the Advisory Panel and the Payments Strategy Forum, and chaired the Working Group for Implementation Planning for the New Payments Architecture which was part of the Payments Strategy Forum set up by the PSR. She was also chosen to be part of the delivery group commissioned by the Bank of England and the PSR for the consolidation of the three retail payment schemes representing small- and mid-sized financial organisations. Becky was a member of the Bank of England Advisory Board for the replacement of RTGS and has held non-executive positions for Pay.UK, the Faster Payment System, Payments UK and the setup of UK Finance.

At Metro Bank she was Head of Industry Engagement, responsible for payments and card change activity, as well as leading industry and third-party engagement. Becky has extensive experience of working with the payments industry and delivering long-term, sustainable value.



**Julian Christopher David**  
PAC Member

Julian is the CEO of techUK, the Digital Technology Trade Association. Julian leads techUK's 60-strong team in representing 850 member companies, comprising global and national champions and more than 500 SMEs. He is a member of the UK Government and Industry Cyber Growth Partnership, the Digital Economy Council and the Department of International Trade's Strategic Trade Advisory Group. He is also the Vice President for National Trade Associations on the Executive Board of DIGITALEUROPE and Vice President representing Europe on the board of WITSA, the Worldwide IT Association. He is also a member of the board of the Health Innovation Network, the South London Academic Health Science Network.



**Gillean Dooney**  
PAC Member

Gillean runs Barclays' Current Account and FX business, which includes responsibility for the firm's Open Banking programme. A New Zealander, she spent 15 years at American Express working internationally across a variety of business areas before joining Barclays in 2015 to run their Insurance business and, in 2018, moved to her current responsibilities.



**Simon Eacott**  
PAC Member

As Head of Product Development and Innovation for NatWest Payments, Simon leads the customer-centric innovation programme and has responsibility for payments products and schemes. Prior to this, Simon was Head of Design and Franchise Delivery leading teams to deliver transformational change to meet alternative state aid remedies with the European Commission and Her Majesty's Treasury following the decision to stand down the divestment of Williams & Glyn. Simon's current external responsibilities include being a member of the CHAPS Strategic Advisory Forum as well as having expertise in strategic change programmes, cash management sales, operations, and product management.



## Council members continued



**Eddie Keal**  
PAC Member

Eddie is currently Client Executive Banking and Financial Markets UK, IBM. He is a long-term specialist in financial services with over 30 years' experience in the IT industry. He has worked in several sectors, including retail banking, life assurance, corporate and investment banking, post-trade securities services, payment cards, and credit reference. He also has a keen interest in the roots of financial services in the UK, and their relationship with the social history of the country.



**Oliver Kirby-Johnson**  
PAC Member

Oliver is a partner at KPMG's financial services practice. Over the last 10 years his roles have included leading the UK industry delivery programme through the public launch of the Faster Payment System, the SEPA implementation in a major bank, advising on implementation of instant payments in other countries and, most recently, as Program Director for the Australian New Payments Platform service, from initial mobilisation through to implementation and public launch.



**Michael Mueller**  
PAC Member

Michael set up Form3 after spending more than 25 years in executive positions with Deutsche Bank, Royal Bank of Scotland and Barclays. Most recently, he was Global Head of Cash Management and a Member of the Corporate Banking Executive at Barclays, where he had responsibility for the product management and distribution of the bank's payment, corporate deposit and customer access products. For many years Michael has been passionate about driving digital change and innovation in global banks and has sponsored many key initiatives in this area, including white-labelling, biometric security, and mobile payment/banking technology.



**Tim Pigott**  
PAC Member

Tim has followed his passion for payments in the UK by being involved across many of the industry's collaborative developments, with related interests spanning customer service and operational risk, especially economic crime. Having established Nationwide's first payments security function, he now leads payment industry engagement, bringing a mutual perspective to the UK's payments community. Tim's a member of both the Payments and Economic Crime Product and Service Boards at UK Finance and chairs its Interbank Payments Policy Committee.

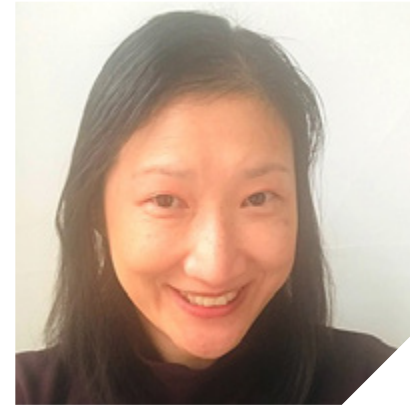
Connecting with public policy, regulation and payment system operators such as Pay.UK, Tim has been directly involved in bringing to life services such as Confirmation of Payee and remains closely connected to the PSR since working on the Payments Strategy Forum, particularly on the proposals for the NPA. A key focus of Tim's work in recent times has been push payment scams and he is keen to see strategic ideas designed into our payment services to inspire trust as well as great service.

## Council members continued



**Robert White**  
PAC Member

As Head of Payments for Santander UK, Robert was responsible for the services and strategy for the core payments infrastructure, including shaping a new domain vision. He also leads the engagement with the industry on collaborative ventures, payment system operators and regulators in the UK and abroad. He has a broad experience of product and infrastructure development, including recently leading Open Banking and PSD2.



**Li Yeoh**  
PAC Member

Li is currently Head of Financial Crime Technologies at Lloyds Banking Group with responsibilities for group-wide anti-money laundering, sanctions and customer due diligence applications, having previously led the IT delivery of financial crime, payments, mortgages and internet banking at Lloyds Banking Group. Previous to this role, Li spent 12 years at Accenture implementing IT and business programmes at banking and capital market clients in London, Frankfurt, Hong Kong and Kuala Lumpur, Malaysia.



**Pay.UK Limited**

Company Registration No. 10872449  
(A Company Limited by Guarantee)

Registered Office  
2 Thomas More Square  
London E1W 1YN