

**Pay.UK Limited Minutes of the Switching Services Customer Committee held on 26 April 2022 at 10:30am via Zoom**

**ATTENDEES:**

Jo Kenrick

**ORGANISATION:**

INED (Chair)  
Pay.UK (Secretariat)  
Pay.UK  
Pay.UK  
Pay.UK (AI 04/22.06)  
Pay.UK (AI 04/22.01)  
Pay.UK  
Pay.UK (AI 04/22.06)  
Pay.UK (AI 04/22.02)  
INED (AI 04/22.04)  
Bank of Ireland  
HSBC  
Lloyds Banking Group  
Nationwide  
NatWest Group  
Santander  
Starling Bank

**APOLOGIES:**

INED  
Barclays

**ITEM****SUBJECT****ACTION****04/22.01 Switching Services Budget Update**

Pay.UK provided the Committee with an update on March 2022 Financial performance and 2022 full year draft forecast.

CASS

Pay.UK took the Committee through Appendix A of the supporting presentation **DELETED [COMMERCIALY SENSITIVE]**

CISA

Pay.UK Finance took the Committee through Appendix B of the supporting presentation **DELETED [COMMERCIALY SENSITIVE]**

**04/22.02 Switching Services Risk Update**

Pay.UK took the Committee through the supporting Risk Update paper which outlines the work that is currently going on within the Risk space. It was emphasised that from a Pay.UK

perspective the overall risk profile remains stable. Pay.UK Risk noted that they would like to hear from anyone who is aware of a risk to the payments system that Pay.UK may be unaware of and this information should be sent to [rrc@wearepay.uk](mailto:rrc@wearepay.uk). Pay.UK Risk advised the Committee that Pay.UK has appointed a Head of Payments Risk whose role will support the operational areas of Pay.UK. **DELETED [COMMERCIALY SENSITIVE]**

#### 04/22.03 **CASS 2023 Marketing and PD&I Budget**

Pay.UK took the Committee through the supporting presentation, advising the Committee that the presentation covers the proposed budget requirements in 2023 to meet CASS's mandated KPIs. It was further noted that CASS are continuing discussions with HMT, CMA and the PSR to evolve its regulatory KPIs from 2023 onwards. Pay.UK have explored three scenarios for the 2023 budget, based on different potential KPI outcomes. Pay.UK provided the Committee with a summary of the three budget scenarios, the Committee were advised that these scenarios have gone through in-depth review with the Communications Working Group (CWG). Pay.UK noted that budget scenario three is highly unlikely, yet felt it important to demonstrate we have explored all options. Pay.UK took the Committee through the timeline and recommendations **DELETED [COMMERCIALY SENSITIVE]** It was noted that the budgets can be revisited dependent on the outcome of the regulatory engagement. Pay.UK advised the Committee that the proposal has been endorsed by the CWG. Starling asked in relation to the awareness plan and the link to consideration, given that the awareness targets have not been met and there are challenges to the budget, is there a reason for keeping the budget flat or have there been other options discussed. Pay.UK noted that they are mindful of a preference to keep budgets flat in the past given broader budget pressures at an organisational level. Pay.UK also anticipates consideration as a KPI will be more efficient if approved to adopt from 2023. The budget planning was revisited for last year which included a higher media spend option, dependent on the levels of Participant (Customer) spending, which will be consider should awareness levels fall further. **DELETED [COMMERCIALY SENSITIVE]** Yet due to the early presentation of the budget Pay.UK are unsure what the market will look like to know which is the right approach at this stage. Pay.UK don't want to increase budgets and put more pressure on Participants (Customers) unnecessarily. Pay.UK noted that CASS need to be clear that CASS are not increasing the contingency in the budget but agreeing that if needed the deferred income will be used. Santander asked if the flat budget would allow either Scenario one or two, but not both. Pay.UK confirmed that this is correct. Nationwide noted should Scenario B be adopted and all reserves used, there would be no reserves for anything else. This should be taken into consideration and thoughts given to what else may happen in the year that could require additional spend. Pay.UK noted that this can be ratified to show how this would affect the reserves. The Committee approved the recommended budget plan for 2023.

#### 04/22.04 **CASS Brand Guidelines Changes**

Pay.UK took the Committee through the supporting paper, providing the Committee with a recap on the process to date. Pay.UK proceeded to walk the Committee through the proposed recommendations. It has been recommended that following the feedback received, the proposed strategic change to expand the definition of where the Trustmark is required will be

retracted. Pay.UK will still make the smaller proposed changes to the Guidelines, to account for new media formats, a revised marked up version will be shared with the CASS CWG for feedback before the changes are agreed. Pay.UK proposed to keep a watching brief on the awareness levels, deferred income funds will look to be used to bolster awareness if there is a considerable decline in awareness levels. Pay.UK asked the Committee to approve the revised approach. Santander voiced their support for the new proposal. The Chair further noted their support, and highlighted that this is a good example of the governance process working. The Committee approved the proposal.

#### **04/22.05 CASS Comms Working Group Ways of Working**

Pay.UK took the Committee through the supporting paper, providing the Committee with an introduction advising that the paper is looking into the ways of working relationship between the CASS Communications WG (CWG) and the SSCC. **DELETED [COMMERCIAL SENSITIVE]** Pay.UK prompted a discussion amongst the Committee to understand their thoughts on the value of CWG and its current format going forward and would consideration be given to offline updates being provided and using the CASS Advertising Sub-Group (ASG) as a consultative group. Santander asked how many Participants (Customers) there are currently in the ASG and does this group work more effectively than the CWG. Pay.UK noted that it is a very effective group, with four Participants (Customers) currently attending, yet more are always welcomed. This group deals with more specific tasks, such as feedback on language for creatives, at present it is a more tactical group. The Participants (Customers) who attend this group are more advertising based rather than product based. It was noted that the ASG is very different from the CWG. Starling advised the Committee that they have spoken with their internal teams on this matter and it has been noted that there is a lot of use for the CWG with the cascading of information, they would not want to lose the cascade and information sharing. Starling advised that they were unaware of the ASG and who attends. Also, if more engagement is needed at CWG do the Participants (Customers) attending actually have the power to provide approval. From a Starling perspective the CWG representative would want to bring the information back for internal review before providing any sign off. Pay.UK acknowledged this, and whilst there is no objection received at the group, equally there is little active agreement, particularly when it comes to budget. Pay.UK suggested proposing offline what the ASG should be utilised as a consultative group and the CWG be reframed as an offline cascade group. Pay.UK asked the Committee to understand if they would be comfortable with not having a constructive challenge group before topics are brought to the SSCC. The Chair asked if the Committee want to get the CWG to work as specified in the ToR, or do the Committee want to accept that the CWG is not working as intended and recognise this and therefore continue as is with the low-level challenge to proposals or move to a different model. Starling advised that the most effective use of time would be to move the CWG to a cascade group only. Nationwide agreed with Starling. Starling noted that the challenges presented by the SSCC at the February meeting in relation to the Guidelines proves that the process works with the SSCC challenge. Pay.UK called out if the Committee are happy with this approach then the same level of detail that is presented to the CWG will not be given at the SSCC, due to time constraints of the meeting. This was understood and accepted.

Pay.UK will use the June CWG meeting as the final meeting covering Brand Guidelines and the proposed Committee ToR changes. Starling advised that from their perspective the meetings are useful and support keeping the meetings rather than sending documents offline, Pay.UK noted to ensure effective utilisation of both Pay.UK and the external media Agency resources offline cascades would be the preferred way forward. Yet the option is should any reps require a 1:1 discussion, of a specific area which they feel requires more clarification, this can be arranged upon request. CASS INED (who attends the CWG) advised that the meetings are useful and the opportunity to do a deep dive into presentations is helpful, yet understands that due to busy schedules it may be beneficial to share documents offline then bring to the SSCC for sign off and approval. The Chair summarised that the CWG will remain but from an offline cascade perspective, the ASG will be used for ad-hoc consultation on specific advertising queries, attendance to this group is also open to all participants (Customers) and the SSCC will be the decision-making group. **Pay.UK will amend the ToR of the CWG to reflect this change.**

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#### **04/22.06 Workstream Update**

##### CASS Future Scenarios Q1 summary

Pay.UK advised the Committee that there are no new updates on the future scenarios work that need to be discussed. The Committee were advised that work has started on the Future of Switching project which had been identified as an area of focus last year. The project aim is to think if the Switching Service was designed today what would it look like. Research had been done a couple of years ago to look into whether savings products could be switched, at the time this wasn't progressed. **DELETED [COMMERCIALY SENSITIVE]** Pay.UK asked the Committee for help with the Consumer piece, would a sub-set of the SSCC or a wider group take a look at the brief and provide feedback on the brief. Santander offered to help support and share internally for feedback. **DELETED [COMMERCIALY SENSITIVE]**

##### Acceptance Rate Working Group (ARWG)

Pay.UK took the Committee through the supporting paper. Pay.UK advised that there have been a further two returns on the New Bank Rejection analysis data, there are currently still five outstanding **DELETED [COMMERCIALY SENSITIVE]**

##### Additional Customer Validation

Pay.UK reminded the Committee of the additional Customer validation, noting that approval is being sought to amend the three out of four matching criteria concerning the validation of the Customer address from one-digit difference of the post code to complete mis-match of the address. 18 Participants (Customers) are in favour of the change with only four rejecting the proposal. Pay.UK are formally presenting this change to the Committee for approval. **DELETED [COMMERCIALY SENSITIVE]** The feedback that is being received is that there are no underlying concerns. **DELETED [COMMERCIALY SENSITIVE]** Pay.UK advised one of the rationales for bringing this proposal to the Operations Committee was that a number of Participants (Customers) already follow the relaxation, some have even introduced it when the service started, each Participant (Customer) has highlighted no

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incidents of fraud since the relaxation has been in place. **DELETED [COMMERCIAL SENSITIVE]** Pay.UK are seeking to make the address relaxation a mandated rule across their service, the current address validation is that there can be one digit or one letter transposed in the postcode, **DELETED [COMMERCIAL SENSITIVE]** The match for three out of four is just in relation to the postcode. **DELETED [COMMERCIAL SENSITIVE]** The Chair asked the Committee if they were supportive of the approval for the Change. **DELETED [COMMERCIAL SENSITIVE]** Pay.UK noted that given the uncertainty at the Committee that this be taken away and there are two clear actions for Pay.UK. To understand for the Participants (Customers) that already follow this relaxation to confirm the number of switches that they have accepted and any challenges that they have had and to ascertain what the percentage increase to the acceptance rates is likely to be as a result of the implementation. This will be provided as an offline paper. This was supported by the Committee. Bank of Ireland asked if there would be any value in speaking to the four Participants (Customers) who are not in support of the change to see if they fully understand the change and that it only relates to the postcode. Pay.UK will ensure that this is clear in the communications to the Committees.

#### Industry Acceptance Target

Pay.UK noted the feedback that has been received from Participants (Customers) in relation to the change to the industry acceptance rate target. **DELETED [COMMERCIAL SENSITIVE]**

#### **04/22.07 Participant Dashboard**

The Committee noted the latest CASS and CISA Dashboard. No comments were raised by the Committee. **DELETED [COMMERCIAL SENSITIVE]**

#### **04/22.08 Minutes of the Previous Meeting**

The minutes from the previous meeting held 17 February 2022 were approved without comment. The redacted 17 February 2022 minutes were also approved without comment.

#### **04/22.09 Action Log**

##### 02/22.04a Pay.UK to share the updated annotated Brand Guidelines with the Committee

The Committee were advised that the documents were shared with the Committee 18 February. it was agreed to close the action. **Closed**

##### 02/22.04b Participants to review the updated Brand Guidelines and provide feedback. Nil response will be taken as acceptance

The action was covered under AI 04/22.04. it was agreed to close the action. **Closed**

##### 02/22.05 Pay.UK to share the data presentation from e-Benchmarkers in the post meeting papers

The presentation was shared with the post meeting papers. It was agreed to close the action. **Closed**

##### 02/22.11 Pay.UK to share the Pay.UK visitor charter with the post meeting papers

The Charter was shared in the post meeting papers. It was agreed to close the action. **Closed**

#### **04/22.10 Any Other Business**

##### 2022 CASS Strategy Day

Pay.UK took the Committee through the supporting paper and provided the Committee with two options for discussion.

- Q3 (July/August) a summer virtual event – providing a reduced number of updates, given it is less than a year since the last event, yet to set the scene for returning to our usual approach in 2023
- Q4 (October/November) an autumn virtual or face to face event – covering the full year of activity and possibly outline our desire to return to our usual schedule of Q2/April from 2023

Pay.UK wanted to understand from the Committee what they would prefer from a timing and settings perspective. Pay.UK noted that the feedback that has been received following the strategy days has been really positive. Santander advised that they would be keen to hold the main strategy day as a face to face session, to help strengthen relationships with working group and operations members. Santander further noted that their preference would be to avoid summer holidays for the main strategy event. Nationwide echoed their support for a face to face setting and avoid the summer, October/November if there is sufficient content to discuss and would suggest holding one this year to avoid a year gap for the next. The Chair noted that last year the strategy day was held in autumn and then the feedback was being taken to the Pay.UK Board within a couple of weeks to gain sign off. In a normal business strategy, the ideal scenario would be to hold the strategy day in spring to help provide the necessary detail to help aid Pay.UK's strategy planning. Nationwide suggested that holding a small strategy day this year, then reverting back to a more formal process in 2023. Bank of Ireland also provided their support for a face to face setting. Santander would also be supportive of a face to face setting with the potential to hold it as a hybrid option for Participants (Customers) who are not able to travel or feel comfortable being face to face. Santander further noted that the Service will be having its 10-year anniversary in 2023. **Pay.UK advised that the company has held internal hybrid meetings, and will liaise with the internal communications team to understand the feedback that was received and how they worked to see if this can be done.** The Committee was in support of holding a recap this year and reverting back to the old timeframe for 2023.

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**Date of next meeting: 23 June 2022 at 10:30am**

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