

Pay.UK Limited

MINUTES OF THE SWITCHING SERVICES CUSTOMER COMMITTEE MEETING HELD ON 14 NOVEMBER 2023

Members		Attendees
Jo Kenrick (JK)	Independent member & Committee Chair	Pay.UK
	Independent member	Pay.UK
	Santander	Pay.UK
	Bank of Ireland	Pay.UK
	Nationwide	Pay.UK
	NatWest	Pay.UK (Secretariat)
	Lloyds	
	Barclays	
Apologies		
	HSBC	
	Independent member	

**Committee members and attendees met by video conference.*

11/23.01 Opening Business

Quorum

The Chair confirmed that the meeting was quorate.

Conflicts of Interest

The Committee members were asked to declare any interests in relation to any of the agenda items to be discussed. No conflicts of interest were declared.

11/23.02 Pricing and Deferred Income

Referring to his paper Pay.UK provided a summary of the key points outlined in the executive summary and invited feedback from the Committee on Pay.UK's proposal on pricing and deferred income.

A member of the Committee commented that he felt the proposal was fair and in the best interests of all Customers. He asked what mechanisms would be put in place to avoid a cycle whereby increased volumes resulted in a further build-up of deferred income and would need to be repaid to Customers. Pay.UK acknowledged the need to avoid this happening in future and informed the Committee that enhanced monitoring would be implemented and an annual review carried out.

An independent member enquired whether the CASS volumes forecast had been based on pre-Covid pandemic figures and post-pandemic figures. Pay.UK commented that the differences between the actual numbers versus the Customer forecast over the last year had not been provided, and that pre- and post-Covid pandemic comparisons had not been made. The 5% and 10% figures were illustrative to show sufficient headroom to mitigate against future volatility in volumes. Pay.UK would continue to monitor whether volumes were under or overperforming against the forecast so that adjustments could be made if necessary. The independent member emphasised the importance of undertaking research involving the pre-Covid forecasts to provide assurance that the 5% and 10% forecasts accounted for past realities. Pay.UK agreed to circulate to the Committee the actual variance to CASS volume forecasts in pre Covid years. **ACTION:** DELETED [COMMERCIALY SENSITIVE]

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An Independent member enquired what the notice period would be for notifying Customers of future price increases. The Committee was informed that the notice period was two months, however in a scenario where the price needed to be increase there would be roughly a four month lead time from initiating these conversations to communicating the price increase in order to analyse its impact.

A member of the Committee voiced his support for the proposal. He asked whether this was the solution going forward, or if it was being introduced as a one-off, and whether there could be a partial refund now with the rest of the refund provided in six months' time. Pay.UK confirmed that the proposal would apply to 2024 only with the intention that going forward the setting of forecast pricing would be more agile . Other members of the Committee disagreed with the idea of splitting the repayments in two as they felt this would result in administrative complications.

With reference to a comment made at the previous meeting a further question was raised regarding the impact of VAT as this had not been considered in the paper. Pay.UK advised that once Pay.UK knew what the volumes for 2023 would be the finance team would be able to undertake some calculations which would be shared with the Committee in early 2024, and which would also address this VAT point. **ACTION: DELETED [COMMERCIALY SENSITIVE]**

Referring to the November 2023 dashboard, which had been circulated to the Committee via email, an independent member noted it was important to ensure campaigns met the regulatory awareness and satisfaction KPIs for the CASS service. Mindful of the return of deferred income she enquired whether sufficient budget had been set aside to achieve these targets, and whether an exercise in horizon scanning had been undertaken to identify opportunities which could help achieve these targets. **DELETED [COMMERCIALY SENSITIVE]**

The Chair asked if Pay.UK was comfortable giving the Committee assurance that there was sufficient headroom of funds available to help achieve these regulatory KPIs and would not ask Customers for additional funding to achieve these targets. Pay.UK confirmed that the headroom in place covered all eventualities.

Another member of the Committee supported the proposal on the basis that the forecast was evidence based and allowed sufficient headroom to address any emerging issues.

The Chair raised feedback received from a member of the Committee unable to attend this meeting which mirrored points already raised, particularly in relation to the proposals outlined being dependent on the degree of confidence in the forecast. He had confirmed that he would be comfortable to support the judgement of the Committee on the merits of the proposal.

Pay.UK advised that the deferred income would be returned in Q1 2024. A member of the Committee asked if it would be possible to defer payment until Q2 2024. Pay.UK confirmed that this should be possible and could be agreed with Customers on a case by case basis.

The Chair summarised the discussion by confirming that the Committee supported the proposal, had requested an annual review being undertaken in addition to including an standing agenda item at future meetings to enhance the monitoring of volumes, agreed with one payment rather than two to avoid administrative complications and for calculations which accounted for VAT to be based on volumes at the end of December and circulated to the Committee in January 2024. The Committee members agreed with this summary.

Pay.UK commented that following this decision work would proceed to update pricing schedules to reflect updated charges for CASS and Cash ISA.

11/23.03 Any Other Business

As there was no other business the Chair closed the meeting.