

Pay.UK Limited Minutes of the Switching Services Customer Committee held on 20 September 2023 (Hybrid)

Attendees:	Initials	Organisation
Jo Kenrick	JK	Independent member & Committee Chair
		Pay.UK
		Pay.UK (AI 09/23.01 only)
		Santander
		Starling Bank
		Pay.UK
		Pay.UK
		HSBC
		Pay.UK (AI 09/23.03 only)
		Pay.UK Finance (AI 09/23.01 only)
		Pay.UK
		Bank of Ireland
		Pay.UK (AI 09/23.04 only)
		Independent member
		NatWest
		Pay.UK (Secretariat)
		Pay.UK
		Lloyds
		Pay.UK
Apologies:		
		Barclays
		Independent member

Ref **Item**

09/23.01 SWITCHING SERVICES BUDGET UPDATE

Pay.UK Finance provided the update for the Current Account Switching Service (CASS) and Cash ISA Transfer Service (CISA), which covered the year to August 2023, in addition to the 2023 full year draft forecast. Pay.UK reminded the Committee that the budget was established in 2022. DELETED [COMMERCIALY SENSITIVE]

There was a similar update for the CISA. DELETED [COMMERCIALY SENSITIVE]

Referring to the draft budget for 2024 which outlined the costs budgeted for CASS and CISA the Committee was informed that the CASS overhead line DELETED [COMMERCIALY SENSITIVE] would be finalised in the coming weeks. DELETED [COMMERCIALY SENSITIVE]

A query was noted regarding whether the price range included the deferred income. Pay.UK Finance responded that it did not. DELETED [COMMERCIALY SENSITIVE]

DELETED [COMMERCIALY SENSITIVE]

The Chair concluded that ideally, Pay.UK would project forwards and volumes would need to be considered for the forecasts (with both high and low volumes) to manage the price and maintain stability for the period. Pay.UK Finance added that this would depend on the modelling of scenarios based on volumes forecasts. The Chair advised that the price should not be more expensive than it was now and that the approach for CISA should mirror the approach for CASS.

Pay.UK Finance to produce modelling of pricing and deferred income treatment options based on scenarios of high and low volumes based on customer forecasts for the next meeting. ACTION DELETED [COMMERCIALY SENSITIVE]

The Chair requested that an extra meeting to be arranged mid-November to discuss the deferred income and cost per switch following the receipt of volume forecasts in October. ACTION DELETED [COMMERCIALY SENSITIVE]

09/23.02 SWITCHING SERVICES RISK UPDATE

Pay.UK advised there was no significant movement in current risks. DELETED [COMMERCIALY SENSITIVE].

Pay.UK agreed to present a discussion paper at the next meeting on SME acceptance rates, causes and potential solutions. ACTION DELETED [COMMERCIALY SENSITIVE]

09/23.03 CASS COMMS & MARKETING AWARENESS UPDATE

Pay.UK Comms provided the update, highlighting the following key points:

- A wider piece of work was being undertaken to look at the overall CASS regulatory framework.
- In 2024 Pay.UK would be working to achieve the KPI's DELETED [COMMERCIALY SENSITIVE]
- DELETED [COMMERCIALY SENSITIVE] There had been a challenging set of circumstances with bank and building society personal current account advertising spend being low alongside brand advertising. This put pressure on awareness.
- The Chair observed that advertising volumes had been low and things were on track for overall switching volumes to reach their highest level.
- Pay.UK advised that there had been a lot of coverage of switching and the available incentives for switching in the media.
- Pay.UK advised some brands have closed some current account books which had increased the volume of switches this year.
- Pay.UK advised that advertising may drive awareness but it was the switching incentives that increased switching volumes.
- The plan for 2024 would be similar to 2023 in that there would be two periods of main campaigning activity with the ability to top this up with further activity if needed.
- DELETED [COMMERCIALY SENSITIVE] The team would seek to ensure that the scope of work for media and marketing was more agile.
- An independent member expressed concern the awareness campaign was not having the effect it used to have.
- The previous advertising campaign performance research showed the creative was not cutting through as it had previously and needed to change. It would be interesting to see how this new campaign performed and if this would lead to sustained levels of awareness.

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- A discussion point from the workshop held during last week noting that not all awareness was the same was raised. It was more valuable for someone who was vulnerable or struggling to be aware that they could switch, including those with overdrafts and SME's.
 - The Committee discussed whether it was possible to understand what benefits were most appealing to the financially vulnerable. Pay.UK advised that it may be possible to articulate the composition of the switching population. However, switchers were not asked what benefits they had received for switching. The satisfaction question had been broken down into individual parts. The search part which Pay.UK have no control over had a significantly lower level of satisfaction than other parts due to conflicting information or insufficient information. One of the banks represented on the Committee advised that it was not possible to understand what the blockers were if Pay.UK are not asking the question. Pay.UK advised that the new marketing campaign encouraged people to think about whether it was time to switch. Pay.UK advised that this reflected a mass market approach, but also included some digital channels to target segments.
 - The Committee advised that it was content with the proposed plan presented.

09/23.04 WORKSTREAM UPDATES

CASS Horizon Scanning

Pay.UK advised that there was no material update. Pay.UK had reviewed indicators of financial vulnerability but there was nothing specific which indicated a cost of living crisis impact relating to switching.

Which had issued a recent report which segmented the UK population into six segments based on impacts relating to the cost of living crisis. Pay.UK was currently liaising with the Which team to discuss the drivers behind the results. **This report would be shared with the Committee. ACTION DELETED** [COMMERCIAL SENSITIVE]

Strategic Update

The strategic roadmap would be provided prior to the action deadline of 26 September.

Acceptance Rate Working Group (AWRG)

Pay.UK advised that this update was covered during the risk update.

CASS regulatory and governance review workshop

Pay.UK advised that there was collaborative discussion underway on seven key areas linked to CASS' regulatory obligations DELETED [COMMERCIAL SENSITIVE]. Discussions had also been held on how best to communicate with HMT. Whilst not a specific regulatory obligation, the CASS Strategy Day was useful for collating feedback from the wider stakeholder group. It was therefore recommended that ongoing scheduling of these continued, in addition to a Pay.UK Product Strategy day.

Developing partnerships with consumer groups to establish how best to communicate with the target sub-audience was seen as a growth area with the CMA highlighting price comparison sites.

The minutes from the SSCC workshop were currently being reviewed internally and would be issued to the Committee once available.

There would be a proposal paper presented to Pay.UK's ExCo, in addition to the Committee, before proposing any changes relating to regulatory obligations. It was noted that the proposals still facilitated compliance with the current CMA undertakings, as opposed to removing an obligation outright.

09/23.05 CASS REGULATORY REVIEW UPDATE

This item was covered during workstream update

09/23.06 CUSTOMER DASHBOARD

The Committee were asked to note the dashboard. No comments were received.

09/23.07 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting and the redacted minutes held on 21 June 2023 were **approved**, subject to one query from an independent member being addressed.

09/23.08 ACTION LOG

Actions Marked for Closure

06/23.01a	06/23.01b	06/23.03a	06/23.03b	06/23.03c
06/23.03d	06/23.04a	06/23.04b	06/23.04c	06/23.04e
06/23.09	06/23.04d	06/23.05	06/23.10	

Update: No objections to close.

Decision: All closed.

09/23.09 AOB

Pay.UK informed the Committee that a presentation had been given during Pay.UK's most recent All Colleague Call (ACC) to mark CASS' tenth anniversary. Pay.UK screensavers and 'getting to know you sessions' had also been implemented to celebrate this achievement.

Date of Next Meeting: 19 December 2023
