

# Pay.UK Limited

## MINUTES OF THE SWITCHING SERVICES CUSTOMER COMMITTEE MEETING HELD ON 26 FEBRUARY 2024

Members		Attendees
Helen Parker (HP)	Independent member & Interim Committee Chair	Pay.UK
	Santander	Pay.UK
	HSBC	Pay.UK
	Independent member	Pay.UK
	Bank of Ireland	Pay.UK
	Cumberland Building Society	Pay.UK
	Nationwide	Pay.UK
	NatWest	Pay.UK (Secretariat)
	Lloyds	
Apologies		
	Starling Bank	
	Barclays	

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

### 24/01 Opening Business

#### Quorum

HP confirmed that the meeting was quorate.

HP introduced herself following her recent appointments as both an independent member and interim Chair of the Committee. She welcomed SJ and DMO to their first Committee meeting noting that SJ had observed the December 2023 meeting prior to his appointment. DMO and SJ introduced themselves to the Committee.

Apologies were noted for AF and LW. JD added that Barclays would be appointing a new representative to replace LW in due course.

#### 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 were declared.

#### Minutes of the previous meetings

The redacted and unredacted minutes of the meeting held on 19 December 2023 were **approved**. Further to this the redacted minutes from the meeting were **approved** for publication on Pay.UK's website.

#### Update on actions

The Action Log was considered and the status of each open action, and all closed actions, were noted.

*KJ and WS joined the meeting*

### 24/02 Pricing and Deferred Income

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KJ introduced WS to the Committee highlighting that going forward WS would provide the finance updates.

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DELETED [COMMERCIALY SENSITIVE]

*KJ and WS left the meeting*

**24/03 Switching Services Risk Update**

JD provided a summary of the paper and highlighted a new emerging risk DELETED [COMMERCIALY SENSITIVE]. He informed the Committee that a Change Request (CR) had already been raised with VocaLink. DELETED [COMMERCIALY SENSITIVE]. This would mean that the changes would be deployed as part of the next available Kestrel release in July 2024. JD added that he was liaising with Pay.UK's Regulations and Policy team to keep them updated on developments, and would present an update on this at the upcoming Cash ISA Operations Committee meeting.

The Committee asked whether deploying the changes during the Kestrel release in July was achievable. JD confirmed that this was the case. He added that Pay.UK would continue to engage with The Investing and Saving Alliance (TISA) concerning updates from the industry and HMT involving the partial ISA funds transfer change. He would provide feedback as required to the Committee, including from TISA monthly meetings with HMT to which he had been promised an invitation. JD also informed the Committee that a representative from TISA attended the Cash ISA Operations Committee which provided a further mechanism for providing feedback.

DELETED [COMMERCIALY SENSITIVE]. He emphasised the importance of Pay.UK being involved in industry conversations. DELETED [COMMERCIALY SENSITIVE]

DELETED [COMMERCIALY SENSITIVE]. EB advised that work was needed to identify what the appropriate solution was, whilst also considering existing OB mandates that end users have with their current banking providers. DELETED [COMMERCIALY SENSITIVE].

In concluding the discussion on the risk update, the Committee requested that dependencies between CASS and Cash ISA, and the wider network of change in the Bacs strategy, be brought to the June meeting for discussion. **ACTION: EB**

**24/04 CASS Regulatory Review Update**

JD informed the Committee that Pay.UK had written to the CMA in December 2023 advising that it intended to combine the CASS annual report information into Pay.UK's consolidated Annual Report and Financial Statements going forward, and asking whether the regulator had any objection to this. The CMA had advised that they would respond but, DELETED [COMMERCIALY SENSITIVE].

Regarding the KPIs, JD notified the Committee that it had been agreed with HP, in her role as interim SSCC Chair, to defer consideration of the approach to these until the permanent SSCC Chair had been appointed. He added that the Interim Chair had also suggested that it would be helpful to set the specific discussion on the KPIs in the context of a wider strategic review of the service. Time may be made for this at an additional meeting, or within future scheduled meetings.

*AHu and DL joined the meeting*

## 24/05 CASS Comms & Marketing Awareness Update

AHu summarised the paper by informing the Committee that it described the top line budget proposal required to support the existing marketing KPIs for CASS in 2025. In the event that revised KPIs were agreed with the PSR over the course of 2024, the budget, and campaign plans, would be realigned accordingly. She added that, given this degree of uncertainty, the Committee was being asked to provide provisional approval of the CASS Marketing budget, subject to a finalised budget recommendation being made at the September SSCC meeting.

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DELETED [COMMERCIALY SENSITIVE] responded that the figure included a greater allowance for contingency across all activities as the budget was being presented earlier than last year. It also included an allowance for inflation, modelled at 2%. The overall contingency allowance could be adjusted if the committee had concerns.

Whilst the Committee acknowledged that the figures presented were designed to provide an early view, it recommended that Pay.UK provided further clarity regarding where actual costs were increasing, and how these increases related to the figures which had been budgeted. This would help to provide assurance that the marketing spend was appropriate, and generating value. **ACTION: AHu & DL**

Following a question from the Committee about how Pay.UK tried to take account of banks' and building societies' own marketing plans, AHu confirmed that forecasting had been based on providers' historic spending as it had proven difficult in the past to obtain future forecasts from customers. SJ suggested that Pay.UK should try again to request future spending forecasts from customers, highlighting the benefits of sharing this information confidentially, given the potential to significantly enhance the impact of CASS marketing. JD agreed to liaise with AHu and DL to try to ascertain customers' budgeted PCA and brand spend on marketing during 2024, and for this information to be shared with the Committee on an aggregated basis that would maintain customer confidentiality. **ACTION: JD, AHu and DL**

JD informed the Committee that, towards the end of December 2023, Allica Bank had published research on the barriers to switching. He commented that Pay.UK had developed a number of the research papers on this over the last two years which had subsequently been offered to the customer on the basis that they might be interested in this previous work. They were interested to receive these papers and had expressed their interest in collaborating with Pay.UK in future should they undertake further research. The Committee was supportive of this approach. Acknowledging the Committee's support JD agreed to share the last two years' worth of research with the customer. **ACTION: JD**

JD added that the research papers may also be informative for the marketing and research teams of the companies represented on the Committee. He asked if members who be willing to share their contacts so that these individuals could be added to the Comms Cascade Group (CCG) and Advertising Sub Group (ASG) distribution lists. The Committee agreed to share their contacts on receipt of a request from JD. **ACTION: JD**

Following due consideration the Committee provided provisional **approval** for the CASS Marketing budget for 2025, subject to a finalised budget recommendation being made at the September SSCC meeting.

*AHu and DL left the meeting*

### 24/06 Workstream updates

JD introduced the proposal to consult on a change to the switching rules DELETED [COMMERCIALY SENSITIVE]. He added that the proposal would involve running workshops with the CASS Operations Committee to seek a view from the broader CASS customer base, in addition to submitting a proposal to the Pay.UK Rules and Standards Management Forum. SJ expressed his support for this approach DELETED [COMMERCIALY SENSITIVE].

LC asked for information on the Rules and Standards Management Forum as she was not aware of this. JD responded that this was a new forum established at Pay.UK. It had been established to consider the rationale for rules changes, to ensure good practice was followed, and to enhance consistency in terms of how rule changes were considered and made.

Following due consideration, the Committee **approved** the proposal DELETED [COMMERCIALY SENSITIVE].

### 24/07 CASS Strategic Dashboard

JD clarified that the CASS strategic dashboard had been attached to the 'CASS Regulatory Review Update' paper. He notified the Committee that, during January 2024, all-day workshops had been held to discuss the Bacs strategy program. CASS and Cash ISA had been included in these discussions, and he directed members to the 'Bacs strategy' section which listed key outputs from these workshops.

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JD acknowledged these points commenting that, while Pay.UK did not have the answer to this challenge, it was the right time to revisit it. DELETED [COMMERCIALY SENSITIVE]. Following discussion, HP recommended a deep dive on available options during a future meeting. **ACTION: JD**

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DELETED [COMMERCIALY SENSITIVE]

### 24/08 SSCC Monthly Dashboard

The Committee noted that the most recent dashboard had been circulated via email on 15 February 2024 and invited feedback. No comments were received.

### 24/09 CASS Strategy Day/Event

JD reminded the Committee that during the December 2023 meeting the general consensus was that a full strategy day event, DELETED [COMMERCIALY SENSITIVE], was not required as the desired objectives and outputs could be achieved via alternative means.

Following a summary of the alternative proposal for the strategy day, the Committee emphasised the importance of attendees having the opportunity to interact with each other, as opposed to attendees being talked at via detailed presentation slides. JD acknowledged this point before commenting that the intention was to balance the day between the provision of information and interactive breakout sessions, whilst ensuring the agenda focused on appropriate topics.

PL observed that the costs for reducing the length of the strategy day from a full day to a half day had decreased by more than 50%, and enquired into the reasons behind this. EB responded that previously Pay.UK had appointed an agency to run the event. In the future, Pay.UK's Comms and Marketing team would be providing more support which brought costs down.

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To encourage as much on the day attendance as possible, the Committee requested that a survey be circulated to determine what the appetite was for hosting the strategy day outside London. EB agreed to take this as an action. **ACTION: EB**

The Committee **approved** the proposal of scheduling a half day strategy event. Further to this the Committee **agreed** to attend a workshop to discuss the operational and communication challenges concerning SME switching.

*CG joined the meeting*

### 24/10 Terms of Reference

AG summarised the paper noting that the Terms of Reference (ToR) for the SSCC, CASS Operations Committee and the Cash ISA Operations Committee had been tabled together to enhance visibility of these given the new cohort of Committee members since the turn of the year. The ToRs had been aligned with the format adopted for Pay.UK Corporate Governance structure, which included consideration of appropriate reporting requirements.

No comments were received and the Committee:

- **Recommended** the SSCC ToR to Pay.UK's Executive Committee (ExCo);
- **Approved** the CASS Operations Committee ToR; and
- **Approved** the Cash ISA Operations Committee ToR.

### 24/11 SSCC Composition

AG introduced the paper highlighting that it provided an opportunity for the Committee to view its current composition and existing terms of appointment, in addition to agreeing to the appropriate cadence regarding appointment terms going forward to support future succession planning arrangements.

HP emphasised the importance of ensuring that future appointments onto the Committee considered appropriately the skills and capabilities required. She recommended that a skills and capabilities matrix be developed for the Committee to inform future appointments onto the Committee, and requested that this be brought to the June or September meeting for consideration. **ACTION: AG**

PL commented that it was important that future appointments were open to all eligible customers to avoid the Committee being perceived to include an exclusive group of customers. JD clarified that opportunities on the Committee, when available, were open to all eligible customers. He highlighted that DMO had joined the Committee after JD had notified the Cash Operations Committee of the available slot on the Committee during last year.

Referring to the earlier conversation regarding the skills and capabilities matrix, MN commented that the Committee should also plot the current shape of the market of PCA and ISA providers. This would ensure that the Committee was proactive in ensuring that its membership represented a good mix of customer types, as well as having the right blend of skills. **ACTION: AG & JD**

Following due consideration the Committee **approved** the following re-appointment terms:

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The Committee **agreed** the process involving terms of appointment going forward as outlined in the paper.

*CG left the meeting*

**24/12 Any Other Business**

Bios

HP highlighted that the member biographies had been included in the meeting pack for information given the significant changes in the composition of the Committee over the last few months.

One to one meetings

HP proposed holding one to one meetings with each of the customer members to understand their views on the Committee's work.

Other

The Committee requested that, in addition to uploading individual PDFs onto SharePoint, a consolidated meeting pack should be made available going forward. **ACTION: AG**

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