

Pay.UK Limited

Minutes of the Switching Services Customer Committee held on 4 November 2024 at 10:00 hrs, at 2 Thomas More Square, London, E1W 1YN and via Teams

Members		Attendees
Wanda Goldwag (WG)	Independent member & Committee Chair	Pay.UK
	NatWest	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
	Independent member	Pay.UK (Secretariat)
	Lloyds	
Apologies		Observers
	Starling Bank	
	Unity Trust Bank	

24/39 Opening Business

The Chair confirmed that the meeting was quorate before welcoming LCo (NatWest) and AMo (Pay.UK) to their first Committee meeting. LCo and AMo introduced themselves to the Committee.

The Chair also highlighted that LM (Unity Trust Bank) had joined the Committee as a member, but as he had only been appointed as of 1 November 2024, he had given his apologies for today's meeting. Apologies had also been received from AF.

Conflicts of Interest

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 meeting

The redacted and unredacted minutes of the meeting held on 16 September 2024 were **approved**. Further to this the redacted minutes from the meeting were **approved** for publication on Pay.UK's website.

Update on actions

The status of actions was considered and noted.

Regarding action 014 the Chair reminded members of the optional request to share their research with Pay.UK's research team to support the identification of insights, reiterating that this research would be managed confidentially and would not be shared with other organisations. Regarding the reference within the action to a consolidated research paper, which detailed the key findings for each research piece Pay.UK had conducted over the last couple of years, being taken to the February 2025 End User Advisory Council (EUAC) meeting HP commented that she would liaise with EB and JD on this separately.

WS joined the meeting

24/40 Switching Services Budget Update

WS provided the Committee with a high-level update on CASS and Cash ISA pricing for 2025. The main highlights were:

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LCo commented that she was supportive of the recommendation made regarding the pricing levels to mitigate the risk of ambitious forecasts in 2025, and to protect deferred income levels. Regarding the volume-based income in scenarios two and three she requested further clarity as to how these were not the same when the direct and indirect costs for both scenarios were identical. DELETED [COMMERCIALY SENSITIVE].

The Chair highlighted that Individual Savings Accounts (ISAs) had not explicitly been referenced in the budget. On this point MN observed that ISAs were hard to forecast accurately as they were driven by customer behaviour which made them more volatile, whereas the current account market was driven by banks which enabled more control. The Chair agreed adding that this volatility could also be exacerbated by UK Government interventions.

LC informed the Committee that during the last Customer Engagement Forum (CEF) meeting questions had been asked in relation to the allocation of costs between FPS and Bacs. She asked if this cost allocation exercise had been extended to all Pay.UK products and services. WS advised that all costs had been reviewed and product owners consulted during this activity.

DMo asked whether Pay.UK should base pricing on year on year increases to volumes as opposed to customer forecasts. WS advised that Pay.UK's data team had run several models and simulations using previous volumes designed to enhance the accuracy of future forecasts. The Chair noted that for future budget cycles Pay.UK needed to carefully consider the timing of its customers budgets.

Following due consideration, the Committee **agreed** with the recommendation made in the paper regarding the pricing level for 2025.

LC asked whether the Cash Isa Operations Committee would be notified of the pricing increase. WS confirmed that he would liaise with the appropriate channels internally, including the Cash ISA Operation Committee, to confirm the agreed pricing levels for 2025. **ACTION: WS**

WS left the meeting

24/41 CASS Role and Purpose

EB provided the Committee with a summary of outputs from the 23 October 2024 CASS strategic event. He advised that the event was well attended with circa 50 delegates from across the eco-system collaborating towards shaping the future direction of the service, and how to further alleviate the concerns of switching among the target sub-audience. Discussions explored the role and purpose of the service in the context of an evolving payments landscape, with the team further highlighting considerations of a future strategy, including approaches to marketing and key performance indicators.

The Chair highlighted the success of the event, noting that the openness and engagement of those involved would help bring future activities focused on the CASS vision, mission, goals and KPIs to life.

The Committee expressed its support for the content of the paper which would support Pay.UK in terms of prioritising future activity. No further comments were received.

24/42 Switching Services Operational Issues and Opportunities.

EB introduced the paper advising that it summarised the latest position involving the implementation of two Cash ISA enhancement changes, feedback from external legal counsel towards the business switching rule change proposal and updates concerning the Service User Compliance review.

Regarding the business switching rule change EB informed the Committee that the next steps involved discussing advice received from the external legal firm with the two firms who had previously raised concerns over the change. DELETED [COMMERCIALY SENSITIVE]

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Following discussion, the Committee requested that EB continue to liaise with those firms who had raised concerns relating to the Business Switching Rule Change proposal, and report back to the Committee with any key developments. **ACTION: EB**

HP observed that whilst solving issues such as this were challenging the proposed CASS strategy was about the service being nimble and staying relevant. It was therefore important that the Committee continued to discuss such issues in its attempt to help address these.

AHu and AM will join the meeting (both remotely)

24/43 CASS Comms & Marketing Awareness Update

AHU provided the Committee with an update on the latest CASS marketing activities. This included the development of new KPIs in line with CASS' new role and purpose. DELETED [COMMERCIALY SENSITIVE]

There was considerable discussion involving how to gauge the effectiveness of Pay.UK's marketing campaigns whilst considering the 'Martin Lewis effect'. The Committee noted that understanding this would help support the Committee's ambition of finding ways to decrease the budget whilst increasing the efficiency of targeted marketing.

LCo suggested that targeted marketing could potentially be enhanced by exploring insights during periods of lower volume, as opposed to solely focusing on periods of high volume. She further suggested exploring the effectiveness of customers marketing campaigns retrospectively as the collation of information associated when their campaigns were live was challenging. MT agreed adding that it was important that targeted marketing considered switching messaging not already adopted by its customers.

The Committee requested more detailed information on Pay.UK's previous marketing campaigns for discussion at its next meeting, and for this information to be overlaid with publicly available information in relation to customers marketing activities. **ACTION: AHu**

The Committee recommended that Pay.UK conducted some research to understand what could happen to awareness rates if Pay.UK chose not to spend significantly towards achieving the awareness KPI. AM agreed to explore the best way to test this and to provide an update on this at the next meeting. **ACTION: AM**

MN observed that when the current KPIs were developed ten years ago the market was different. The Chair agreed commenting that this was one of the points she intended to make when discussing the KPIs with the regulators.

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MN highlighted that questions around the satisfaction KPI needed to be widened to gauge satisfaction over a long period of time, as opposed to being focused solely on satisfaction over the seven-day switch period. Doing so would consider an individual's satisfaction levels based on for example their direct debits having been successfully switched over once they could see these payments being made. LC agreed noting that this point was raised during the October strategy day. AM clarified that the tracker asked satisfaction questions to those who said that they have switched accounts within the last five years. They did therefore cover a longer period. She added however that they did not ask individuals retrospectively post-switch "how satisfied are you" in relation not just about the process, but their banking life post-switch. Pay.UK was now in the process of completing the annual review of the monthly CASS tracker and this question could be looked at as an additional question. **ACTION: AM**

AHu and AM left the meeting

MJ joined the meeting

24/43 Variable Recurring Payments

Referring to the 'Executive Summary' within his paper MJ provided the Committee with an update on the impact of Variable Recurring Payments (VRPs) across the ecosystem, including CASS.

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The Committee **approved** the recommendation for additional analysis to understand the full impact of VRPs to the CASS process, DELETED [COMMERCIALY SENSITIVE].

MJ, AMO and KF left the meeting

LS joined the meeting

24/43 CASS Operations Committee Report

The Committee **noted** the update. No comments were received.

24/44 Cash ISA Operations Committee report

The Committee **noted** the update. No comments were received.

LS left the meeting

24/45 SSCC Monthly & Quarterly Dashboard

The Committee **note** the monthly and quarterly data within the dashboards. No comments were received.

24/46 Skills and Capabilities Matrix Update

AG introduced the item by informing the Committee that of the ten members of the Committee the skills and capabilities self-assessment questionnaire had been completed by eight members. DELETED [COMMERCIALY SENSITIVE]

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AG confirmed that the nomination forms would be updated to reflect inclusion of these preferred skills ahead of future open vacancies. **ACTION: AG**

DELETED [COMMERCIALY SENSITIVE]

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Referring to the reference within the paper to the market consideration HP requested that EB provided an update at the next meeting to provide the Committee with assurance that its current composition represented a good mix of customer types.

24/47 Any Other Business

EB informed the Committee that Pay.UK Confirmation of Payee (CoP) name-checking overlay service for UK-based payments had achieved a significant milestone in its work to expand the CoP service, marking the deadline for nearly 400 payment service providers (PSPs) to have joined the service, as per the Payment Systems Regular's (PSR's) Specific Direction 17.

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