

## Pay.UK Limited

Minutes of the Board meeting held on 25 February 2026 at 10:05 at The White Chapel Building, 10 Whitechapel High Street, E1 8QS and via Teams

Members			
Mark Hoban (MGH)	Pay.UK Chair	Teresa Doherty (TD)	Head of Resilience (2LOD)
Anna Bradley (AB)	Senior Independent NED	Justin Jacobs (JJa)	Chief Policy & Engagement Officer (item)
Mark Brant (MB)	NED	Jackie James (JJ)	Director of Risk (1LOD)
Helen Crooks (HC)	Independent NED	Lone Le Roux (LLR)	Chief People & Culture Officer (item 25/92)
Michael Ellis (ME)	Chief Financial Officer	Jenny Moran (JM)	Policy Manager
Sabrina Feng (SF)	Independent NED	David Morris (DMO)	Chief Operating Officer
David Pitt (DP)	Chief Executive Officer	Olaitan Popoola (OP)	Company Secretary (interim)
Lars Trunin (LTR)	NED	James Tasker (JT)	Director of Technology
Ajay Vij (AV)	Independent NED	Louise Rebeck (LR)	Deputy Company Secretary
Peter Wyman (PW)	Independent NED		
Apologies:		Externals	
Lesley Titcomb (LT)	Independent NED		

### 26/12 Opening Business

#### Quorum and welcome

26.12.1 The Chair confirmed a quorum was present and opened the meeting.

#### Conflicts of Interest

26.12.2 The Chair reminded directors that they were required to declare their interests in relation to any proposed transaction or arrangement with Pay.UK. No new interests were declared.

*JM, LLR, JJa joined the meeting*

### 26/13 Substitution

26.13.1 JJa highlighted the extensive engagement that had taken place with the participants and that work on the substitution options had been discussed with the regulators.

26.13.2 The substitution options would be introduced at a time when participants expected Pay.UK's systems to have a relatively short finite life, and there was a risk that there would be debate amongst participants about how much money and effort they would be willing to fund on enhancing resilience.

26.13.3 Pay.UK's role was to ensure resilience, and it would be the role of Bank of England to manage any pressure arising from the market about funding the future and resilience of the current systems.

26.13.4 [Redacted – commercially sensitive]

*TD joined the meeting*

26.13.5 DMO stated that as the technology leader for Pay.UK, the PSO, it was the right thing to implement both the substitution options for the safety and resilience of the payment systems.

*JJ and JT joined the meeting*

26.13.6 Pay.UK continued to maintain a watching brief on the two options that had been analysed and discounted as viable substitution [Redacted – commercially sensitive].

26.13.7 Work on Bacs contingency, a PVDC-mandated enhancement, was in progress [Redacted – commercially sensitive]. Whilst there was good support from the Industry Delivery Board and the CIO/ CTO forum there was concern regarding ongoing costs, [Redacted – commercially sensitive]. DMO added that there was value in delivering all three solutions [Redacted – commercially sensitive] as they would deliver in different timeframes and solve for different Extreme but Plausible (EBP) scenarios.

26.13.8 [Redacted – commercially sensitive]. DMO added that the industry was keen to move at pace.

26.13.9 In isolation each solution would provide increased substitution capability [Redacted – commercially sensitive]. Delivery of all three solutions would give additional resilience across all payment types. [Redacted – commercially sensitive].

26.13.11 [Redacted – commercially sensitive]. Pursuing both options would provide a complete substitution capability and resilience and the Executive recommended to the Board that both options should be taken forward.

26.13.12 The next steps would be to drill down to the next level of detail, to identify the spend profile and set out at what points each option could be deselected. [Redacted – commercially sensitive].

26.13.13 DMO highlighted the need to engage with the Retail Payments Industry Board (RPIB) and Design Authority regarding the substitution options.

26.13.14 An update on work would be brought to the Board and the recommendation made to the regulators in March.

26.13.15 Members discussed whether friction could be removed by participants contracting with Pay.UK [Redacted – commercially sensitive]. ME observed [Redacted – commercially sensitive] it was unlikely that the [Redacted – commercially sensitive] substitution capability could be incorporated into the existing participant contracts.

26.13.17 [Redacted – commercially sensitive]. Pay.UK's own costs for testing and delivery would also need to be looked at.

26.13.18 Members agreed that the substitution capabilities would effectively provide an 'insurance policy' for the payment systems and whether this approach could facilitate participant discussions on cost.

- 26.13.19 [Redacted – commercially sensitive].
- 26.13.22 Members queried whether the dual approach would continue indefinitely or if only one would be delivered and implemented. DMO stated that the recommendation was to move with two substitution solutions until such time that an industry event required Pay.UK to work with only one. It was recognised that a point would be reached where investment would be required and there was benefit in delivering both solutions. Taking two capabilities forward would mean incurring two sets of costs.
- 26.13.24 HC queried how long it would take to move to the substitution capability in the event of an EBP event and then back again. [Redacted – commercially sensitive]. HC requested that this information was clearly set out in the paper. **ACTION: DMO**
- 26.13.25 JJa observed that the substitution options were complementary rather than alternatives [Redacted – commercially sensitive].
- 26.13.28 JJA added that the regulators did not expect the risk to be mitigated regardless of cost. The recommended options could include the cost of mitigating the total risk. If this cost was too high and only one substitution capability taken forward then the risks that Pay.UK would need to accept would need to be clearly set out. PW stated that in a world after some highly visible and UK-impacting cyber attacks had taken place that businesses need to look at how they could achieve maximum protection from any threat.
- 26.13.29 The Chair summarised the discussion. [Redacted – commercially sensitive]. Due to the need to have something in place sooner [Redacted – commercially sensitive], the Board **agreed** that both options should be progressed.
- 26.13.30 A key next step would be to further develop the timescales for full operationalisation of both solutions [Redacted – commercially sensitive]. This, together with further analysis in the round, would enable Board to make a final decision on the option, or options, to take forward in the future.
- 26.13.31 Pay.UK should not be distracted by concerns over sovereignty or future payment systems. Costs for resilience and the substitution options needed to be clearly set out and Pay.UK's own costs, especially for run, needed to be included. [Redacted – commercially sensitive]. The risk assessment of the recommendation needed to be worked through to cover resilience and delivery risks and how these would be mitigated.
- 26.13.32 [Redacted – commercially sensitive].
- 26.13.33 These updates would provide a clearer set of proposals for the regulators to determine which it would want Pay.UK to take forward.
- 26.13.34 [Redacted – commercially sensitive].

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26.13.35 Members agreed that the gateway decisions, rather than dropping points, Pay.UK would need to set out what would need to be true for Pay.UK to make the decision to move forward [Redacted – commercially sensitive].

26.13.36 DMO advised that the Procurement team would engage both vendors to establish more certainty on commercials and the solutions/due diligence. Such streams would continue in parallel until such time as data emerged that would trigger a gateway decision.

26.13.37 DMO agreed that the paper would be updated, costs would be reflected on and the risk assessment process completed prior to coming back to Board and submitting to the regulators by the end of March deadline. **ACTION: DMO**

26.13.38 As part of the ongoing engagement with participants the costs for build and run, including those of Pay.UK and both vendors, would be shared and clarified as further detail was driven out.

**26/14 Closing Business**

26.14.1 As there was no further business the Chair thanked all present and closed the meeting at 10:58.

26.14.2 The Board training session was held subsequently.

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Chair