

## Pay.UK Limited

Minutes of the Board meeting held on 28 January 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	Chris Clark (CC)	Senior Operational Resilience Manager
Anna Bradley (AB)	Senior Independent NED	David Crawford (DCr)	Chief Strategy & Product Officer (items 25/91 and 25/92)
Mark Brant (MB)	NED	David Chandler (DCh)	Director of Finance (item 25/90)
Helen Crooks (HC)	Independent NED		
Michael Ellis (ME)	Chief Financial Officer	Aaron Gallagher (AG)	Deputy Company Secretary
Sabrina Feng (SF)	Independent NED		
David Pitt (DP)	Chief Executive Officer	Justin Jacobs (JJa)	Chief Policy & Engagement Officer (items 25/88, 25/94, 25/95 & 25/96)
Lesley Titcomb (LT)	Independent NED	Jackie James (JJ)	Director of Risk (1LOD)
Lars Trunin (LTR)	NED		
Ajay Vij (AV)	Independent NED	Lone Le Roux (LLR)	Chief People & Culture Officer (item 25/92)
Peter Wyman (PW)	Independent NED	Jenny Moran (JM)	Policy Manager
		David Morris (DMO)	Chief Operating Officer
		Roy Whymark (RW)	Head of Stakeholder Engagement
		Louise Rebuck (LR)	Deputy Company Secretary

### 26/01 Opening Business

#### Quorum and welcome

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

#### Conflicts of Interest

26.01.2 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.

#### Approval of minutes

26.01.3 The minutes of the meeting held on 29 November 2025 were approved.

#### Update on Actions

26.01.4 Updates on the actions were noted.

#### Approvals since last meeting

26.01.5 No offline approvals had been provided.

### 26/02 Chief Executive

#### CEO Report

26.02.1 DP highlighted the importance of behaviours for the delivery of strategic intent and how this had been brought to life at the recent All Colleague Call for all colleagues.

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- 26.02.2 DP referred to the FPS Net Sender Cap management change and how this played into Pay.UK's strategic intent of being stakeholder-centric. The change would not only provide potential flexibility for participants to reduce the amount of liquidity they held at the Bank of England it would also potentially allow more organisations to onboard to Pay.UK's payment systems.
- 26.02.3 Members queried whether the change could be deployed more quickly given the benefit to the market. The change was currently with FMID for non-objection and it was estimated that this would be complete by end of Q1. The launch would take place in Q2 with Pay.UK working with individual participants to utilise the change.
- 26.02.4 DP highlighted the successful extensions to the contracts with Vocalink and how Pay.UK engaged with the industry, demonstrating its stakeholder-centricity. There had been changes in the relationship with Vocalink since the signing of the contract and DP emphasised the need to work in partnership with them wherever possible.
- 26.02.5 The sessions with Bank of England to ensure a good understanding of the commercial framework were noted as a good example of how Pay.UK was playing its part to influence the new model with expertise and foresight. MB provided additional context noting that the bilateral and follow up meetings from Pay.UK were crucial to ensure that the design was well understood by everyone. DP added that he had shared Pay.UK's strategy with FMID.
- 26.02.6 DP stated that December was a record month for volumes and values of payments across FPS and Bacs. Pace and control were essential to enable Pay.UK to run the systems and innovate and move to the future in a controlled manner.
- 26.02.7 The scenarios that could occur given the decreasing difference in price projections for FPS and Bacs were being discussed by the Executive. DP advised that he would bring this back to Board as the longer-term impacts and scenarios were developed.
- 26.02.8 Members discussed the work of the Retail Payments Industry Board (RPIB) and the Design Authority (DA). DMO stated that BoE had issued a comprehensive, thought-provoking and ambitious design document that set out the wider scope including scheme management and the commercial model. Discussion at the DA meetings was at the right level and pace. No consulting firms were yet visibly involved, with BoE executing most of the work.
- 26.02.9 Members discussed how Pay.UK's engagement strategy would be used to identify and strategically influence key groups for the New Payments Vision. The NPA pricing model and experience had been shared with Tom Mutton and the importance of the business case highlighted given the current focus on the technical design.

### **26/03 Finance**

#### CFO Report

- 26.03.1 ME summarised the key points from the Finance report. Members noted that the 2026 budget had been updated to reflect the carryover [Redacted – commercially sensitive] of funding from 2025. This was consistent with the approach taken in previous years.

*DCh joined the meeting*

- 26.03.2 ME advised that the three-year financial plan would be brought to the Board in March for discussion. Conversations were taking place on the key elements of the investment plan, the transformation programme and resilience and these would inform future budgets and pricing.
- 26.03.3 DCh confirmed that the rebate would be made to participants in mid-March. This message would be reiterated at the Customer Engagement Forum meeting scheduled for March and had been shared in calls with stakeholders.
- 26.03.4 [Redacted – commercially sensitive].

KPIs

- 26.03.5 Members discussed the shrinking volumes of cheques and the implications for pricing. Discussions regarding the future of cheques had been started with customers. Considerable work had been carried out on ICS and potential alternatives. PVDC had been clear that cheques were not within the scope of work for the Delivery Company and so Pay.UK was now revisiting the work previously carried out and looking at the way forward. A replacement solution for cheques would be needed before the renewed contract would end. DP agreed that a clear plan was needed and Pay.UK was working with Vocalink on alternatives to ICS.
- 26.03.6 DP reflected on the future of ICS and the implications of shrinking volumes and how this was also relevant to Bacs. The Chair observed that the PVDC had put in place an institutional structure around the replacement of FPS and Bacs whereas ICS appeared to be orphaned. Members discussed who was accountable for finding a replacement for ICS. DP confirmed that, since the PVDC decision in December, Pay.UK was accountable. It was reasonable for Pay.UK to set this out as a risk ensuring that it was positioned appropriately. Members agreed that an engagement strategy for ICS and its replacement needed to be considered. The impact of reducing volumes on ICS and its costs had been well understood amongst C&CCC Board members and ICS participants and now needed to be addressed by Pay.UK actively engaging with participants.
- 26.03.7 Members agreed there needed to be a mechanism for processing cheques as long as the government mandated the need for them. [Redacted – commercially sensitive]. How Pay.UK utilised its engagement strategy to talk to the banks and to manage any potential reputational risk would be important.
- 26.03.8 DP agreed to bring back an update on the future of ICS and cheques to the May Board meeting.  
**ACTION: DP**
- 26.03.9 DP stated that the financial risk that needed to be managed for declining volumes and associated increase in costs, and therefore price to the participants, applied to ICS [Redacted – commercially sensitive].
- 26.03.10 LTR queried whether, if as a result of account-to-account retail payments, there was a large increase in the number of FPS payments the cost to Vocalink would decrease. ME confirmed that there was tiered pricing that scaled down as volume was added incrementally. This had been in place with Vocalink for some time.

26.03.11 It was noted that Cash ISA volumes were increasing significantly and this was driven by the numbers of customers joining the service. Most organisations were joining as they wanted their customers' joining process for Cash ISAs to be frictionless. Pay.UK did not benefit commercially from increased Cash ISA volumes. Costs were shared with Vocalink who managed the service. LTR and ME agreed to discuss this further offline.

26.03.12 HC observed that the gender mix had changed substantially since the transformation programme had been initiated last year. As a smaller organisation any future leavers and joiners would have a greater impact on the gender mix figures. This had been identified previously as a known consequence of resizing Pay.UK.

*DCh left the meeting*

### **26/04 COO report**

26.04.1 DMO stated that operational performance was crucial to Pay.UK's future run role. A record number of FPS payments had been processed in January 2026. CI performance was strong and the number of incidents was significantly lower than in the same month in 2025. The majority of these were change-related and some related to growth in the ecosystem and capacity. Analysis was being carried out on participant incidents to understand trends.

26.04.2 The look back at the first year of the APP reimbursement compliance monitoring regime was available in the Reading Room. Whilst the industry remained on two different reporting systems it was difficult for Pay.UK to bring more insight as it did not have sufficient data. An update would be provided on Reporting Standard B and the potential for the industry to move to a single reporting system.

*AB joined the meeting*

26.04.3 DMO noted that work on the PVDC enhancements was proceeding as planned, as was the development of substitution capability recommendations for submission to the Board, and subsequently to the regulator, by the end of March.

26.04.4 DMO provided a brief update on his role on the DA. In response to a query regarding the payments orchestration layer DMO stated that one of the options for providing substitution was a stepping stone to the orchestration layer. The scope of the orchestration layer discussions that participants wanted to have varied amongst the community with some wanting to discuss the wider orchestration layer. There was an additional dynamic as the DA had set out its own orchestration layer. Further conversations would take place with BoE at an infrastructure level to ensure that both sets of conversations could coexist without confusion.

26.04.5 Members discussed the Proof of Concept work [Redacted – commercially sensitive] and agreed it was important to ensure that stakeholders had clarity on the scope of the work being undertaken and what it could lead to.

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26.04.6 SF referred to the [Redacted – commercially sensitive] incident and the Post Incident Report available in the Reading Room. She agreed to provide feedback directly to DMO so that it could be determined whether it should be discussed further at the Risk Committee. **ACTION: SF/DMO**

*DS joined the meeting*

### Vocalink Contract negotiations lessons learned

26.04.7 DS stated that the team continued negotiation of the Bacs and ICS contract extensions whilst the challenging and ambitious negotiations for FPS had concluded with the contract extension being signed in December 2025.

26.04.8 [Redacted – commercially sensitive].

26.04.9 DS noted that the 53 redlines that informed the negotiations had resulted in approximately 1,000 specific Vocalink obligations. [Redacted – commercially sensitive].

26.04.10 [Redacted – commercially sensitive].

26.04.12 The Board thanked DS and his team for their work.

*DS left the meeting*

## **26/05 Committee reports**

### Remuneration Committee

26.05.1 AB provided an update of the recent 2026 company target discussions held by the Committee. The Committee had challenged the Executive to look at whether the way in which the targets were set could be more ambitious. Staff needed clarity on the bonus framework and so it was likely that targets would be agreed out of cycle to enable a decision to be reached more quickly.

26.05.2 Conversations had progressed regarding the shape of the LTIPs in a world where Pay.UK's objectives as an organisation had changed substantially and it was expected that final decisions would be made at the February meeting.

26.05.3 The Committee had received an update on how the decision to pay the 2025 bonus in December had been received. The Committee had also agreed its report for the 2025 Annual Report and Financial Statements.

### Nomination & Governance Committee

26.05.4 The Committee had discussed two key items. The changes to the Articles of Association and the Board Terms of Reference which would be covered later in the agenda. The substantive conversation was on the appointment of the NED to replace Spiros Theodossiou. There had been three applicants, all seen by MB and interviewed by the members of the Committee. The Committee's recommended candidate also met both SF and DP and it had been agreed unanimously to recommend Ben Taylor, Modulr Finance COO, for appointment to the Board as a NED and member of the Risk Committee.

- 26.05.5 The Board **approved** the Committee's recommendation to appoint Ben Taylor to the Board as a Non-Executive Director, subject to the successful completion of Pay.UK's vetting checks.

*DCr joined the meeting*

### **26/06 Strategy**

- 26.06.1 DCr provided a brief update on the strategy in action work taking place across the business. Santiago Castro had joined the organisation as the Director of Data & AI. A number of early proof of concepts were being run including the use of GenAI to identify the control statements from the underlying 500 documents in order to assess coverage of the controls in place for Pay.UK's payment systems.
- 26.06.2 AV queried what capabilities, skills, infrastructure and tooling would need to be invested in to enable the end state set out in the strategy. DCr stated that some of this would provide input to the February Board training session and when the Strategy was brought back to the March meeting.
- 26.06.3 The principles and outcomes across the five strategic pillars and the 2026 business plan would be integrated so that there would be ten outcomes used to inform the Executive's performance management objectives. These would then be cascaded across the business. The traceability of the ten outcomes to the strategic pillars would help breakdown silos as the different elements of technology, data, AI, comms strategy were brought together.
- 26.06.4 Members discussed how Pay.UK's service changed as a result of the strategy. DCr stated that the most important items where these could be seen were substitution and operational resilience. DP reflected on how the clarity of outcomes and objectives under each pillar were turned into measurable Objectives and Key Results (OKRs). Clarity on the key outcomes and metrics through the OKRs would be brought back to the next meeting.
- 26.06.5 DP stated that the development of the operational resilience strategy and self-assessment had shifted in line with the strategy, different skills and capabilities had been recruited to uplift skills and capabilities and a roadmap was being created.
- 26.06.6 DP observed there was excitement and energy in the business about the strategy that would drive it forward. He highlighted the recent All Colleague Call where DCr had talked about behaviours and the strategy in action and offered to share the placemats that had been made available to staff. **ACTION: DCr**
- 26.06.7 DP observed there was excitement and energy in the business about the strategy that would drive it forward. He highlighted the recent All Colleague Call where DCr had talked about behaviours and the strategy in action and offered to share the placemats that had been made available to staff. **ACTION: DCr**
- 26.06.8 Members discussed how improvements to resilience would be measured and agreed that in some instances this would be difficult, for example when the data was available that would enable Pay.UK to identify and prevent an outage.

*DCr left the meeting. CC, TD, JJA and LLR joined the meeting*

## **26/07 Resilience**

### Operational Resilience Strategy

- 26.07.1 JJa stated that the Operational Resilience Strategy incorporated industry best practice and demonstrated evolution rather than revolution. It was positioned as a future-looking strategic document as operational resilience was central to Pay.UK's DNA and enabled Pay.UK to position itself at the heart of the payments ecosystem. An assessment of Pay.UK's resilience posture and capabilities was included in the annexes of the Strategy along with identified improvements. Operational Resilience was not just an exercise in regulatory compliance and the strategy positioned operational resilience well across the business.
- 26.07.2 There were no substantive changes to the Important Business Services (IBSs) however the focus had been placed on the services provided by Pay.UK rather than on the products themselves.
- 26.07.3 JJa confirmed that there were no substantive changes to the Impact Tolerances (ITol). Progress had been made with the mapping of the ITols to the CI assets, facilitated by the new contract. This work would be broadened to use a resilience perspective to identify key issues.
- 26.07.4 The Extreme But Plausible (EBP) scenarios were always intended to form a key plank of the strategy. JJa added that these should drive decisions on the services. Diagram four in the strategy set out the likelihood and impact of different scenarios and the EBP boundary shown in the diagram needed to be considered as dynamic. As time progressed the scenarios considered as EBP would shift.
- 26.07.5 [Redacted – commercially sensitive].
- 26.07.6 A deep dive on the vulnerabilities and their associated mitigation plans would take place at the March Risk Committee meeting.
- 26.07.7 LLR confirmed that industry benchmarking was being carried out with Bank of England and Starling Bank. The threat list was derived from the national risk register, CMORG and the NCSC. Threats not deemed to be plausible or with a distant time horizon had not been included in Pay.UK's list.
- 26.07.8 JJa stated that diagram four in the Operational Resilience strategy had been used to inform the testing strategy for 2026. He offered a bilateral meeting to those who wanted a deeper dive into the strategy and its annexes.
- 26.07.9 LLR advised that external assurance would not be conducted on the Operational Resilience strategy or assessment. Instead, a strong review against the regulatory requirements, especially against industry guidance and the CBEST thematics had been carried. This had also looked at feedback from FMID, whether it had been provided directly or in a supervisory meeting, to ensure it had been addressed appropriately.

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- 26.07.10 Members discussed the Impact Tolerance (ITol) for reference data and its requirement for FPS and Bacs. [Redacted – commercially sensitive].
- 26.07.11 Members discussed the harm to end users of a longer ITol for FPS and the sensitivity of users of FPS for payments to be made and received on the same day. [Redacted – commercially sensitive]. JJa highlighted the distinction between the Service Level Agreement and an EBP scenario noting that business as usual service would not be replicated in an EBP scenario. The assumption had been made that any threat would be severe, and this should be reflected in the strategy.
- 26.07.12 [Redacted – commercially sensitive].
- 26.07.14 SF added that it would be useful to show how each threat had been tested and the outcome of each test. **ACTION: CC/JJa**
- 26.07.15 The Chair queried whether the Strategy should be more forward looking and referred to the modernisation of the infrastructure that was supported by the contract extensions.
- 26.07.16 LT highlighted the importance of continuity of narrative when the strategy was updated and brought back to the Board. The Chair requested that the document control was updated appropriately. **ACTION: JJa/JJ**

*CC, LLR, TD left the meeting. JM, JJA joined the meeting*

### Substitution

- 26.07.17 DMO stated that it was important to set out the minimum required to get payments flowing. The ultimate goal would be to have a solution that could be sustained indefinitely. AB agreed that the exact difference in the design of each option was important and needed to be clearly set out.
- 26.07.18 DMO stated that the key difference [Redacted – commercially sensitive] would require further work.
- 26.07.19 AB suggested setting out the functionality and capability in the current system [Redacted – commercially sensitive] so that any degradation would be clearly visible. As well as the regulatory criteria referred to in the paper the limitations for each option needed to be clearly stated.
- 26.07.20 [Redacted – commercially sensitive].
- 26.07.21 Members considered the time dimension requirements for each option, the length of outage that each option could support and which would be viable in the long term. It was agreed these need to be clearly set out in the paper along with the problem being solved for and the length of time to implement and adopt each option. The Chair requested that it was made clear in the paper that the options addressed CI failure and not the implications for the wider ecosystem.
- 26.07.22 Members discussed the implications of the PoC and the opportunities this could present to [Redacted – commercially sensitive] as well as the potential threats to Pay.UK and Vocalink, such as disintermediation.

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- 26.07.23 Members agreed that the position could change over time and that it would be pragmatic to progress both options. The Chair queried what level of detail FMID expected in the submission to be made in March. JJa confirmed that a solution, plan and timelines would be required.
- 26.07.24 The Chair stated that the paper being brought to the February meeting would need to provide clarity on what each option offered and a clear contrast set out that supported the final recommendation. The acceptability of the level of degradation of controls and functionality should be clearly set out. Broader analysis was required.

*JM left the meeting. RW and DCr joined the meeting*

### **26/08 Stakeholder engagement**

- 26.08.1 JJ stated that the intention of the stakeholder engagement strategy was to embed meaningful information, enabling deeper, two-way conversations that began at the leadership level. Entering discussions with a clear value proposition was essential, as was segmenting the market to understand each segment and its needs.
- 26.08.2 In the engagement survey participants had expressed concerns about smaller participant views being overlooked and getting more information about Pay.UK's activities from trade bodies than from Pay.UK. This highlighted the need both for more dedicated "communities of interest" to give each market segment a clearer voice and to get feedback on each meeting's value. The output from the surveys would provide better insights to the Board regarding stakeholders' perspectives on the value they derive from our multilateral forums. This aligned with Pay.UK's strategic intent and commitment to future-ready operations, focusing on end-user awareness rather than advocacy.
- 26.08.3 The strategy set out the proposal to stand down the End User and Industry Advisory Councils. This emphasised the expectation on NEDs to convey market sentiment to the Board, and the need for INEDs to have more exposure so that the industry saw their value-add.
- 26.08.4 JJa highlighted how it would be made easier for onboarding participants to join engagement forums with the publication of guidance on how Pay.UK worked.
- 26.08.5 AV observed that the strategy could be strengthened by ensuring that engagement was seen as a mechanism for change as well as being an activity. He asked how traceability would be put in place so that listening to stakeholders could be evidenced in decision-making. JJa stated that traceability was at the heart of the stakeholder engagement strategy and Pay.UK would set out how the stakeholders had impacted its decisions.
- 26.08.6 JJa added that there was a separate strategy for regulatory engagement. The Chair stated that this should set out the different approaches for the different segments of the regulators, such as FMID and RPIB.
- 26.08.7 HC queried how Pay.UK would distribute its information and intelligence in a cohesive and digitally enabled way. JJa stated that preparation for any stakeholder engagement should begin with the outcomes that Pay.UK wanted. Members agreed that engagement was not transactional and the outcomes needed to be considered beyond meeting to meeting.

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- 26.08.8 Members discussed the end user dimension and how to give more substance to understanding end user views and how they provided insight. AB suggested making a commitment to sharing the insights gained from stakeholder and end user needs, now and in the future. This would provide something concrete that could be taken to the End User Advisory Council (EUAC) so that they could see that issues would be dealt with in a different way and not forgotten.
- 26.08.9 DCr noted that end user awareness was not separate to participant focus. It was critical to address and meet the needs of participants. A number of areas discussed with EUAC in 2025 were still relevant and would be taken forward under the stakeholder engagement strategy.
- 26.08.10 The Chair stated that a strong set of outputs to which Pay.UK could be held to account were needed. Members agreed that it was important to engage simply and deliver well. Pay.UK needed to provide useful content at its forum meetings with a consistent message that would be heard in the same way throughout the industry. It was necessary to incorporate feedback from participants and stakeholders whilst recognising that there would be scenarios where strategic intent could override consensus. Strength and decisiveness would need to be balanced with active listening and Pay.UK would need to make clear that not agreeing with stakeholder views did not equate to disregard.
- 26.08.11 Members agreed that the changes would need to be communicated in a sensitive and authentic way before publication of the strategy. Members discussed the role of the Board members in stakeholder engagement, acknowledging that director independence needed to be preserved and directors' contribution needed to be relevant to conversations. Thoughtful engagement was necessary to ensure relevance and effectiveness moving forward.

*JJa and RW left the meeting. OP joined the meeting*

### 26/09 Governance

#### Revised Articles, ToR & Notice of EGM

- 26.09.1 AG stated that the changes to the Articles and the Board Terms of Reference (ToR) had been discussed at the Nomination & Governance Committee. The Committee had agreed that the composition of the Board should remain as set out in the proposed Articles of Association. The quorum in the current Board ToR should remain unchanged, i.e. five members of whom three were INEDs and the proposed changes not implemented.
- 26.09.2 If any of the changes to the Articles were not agreed by the guarantors then the relevant part of the existing Articles would stand. The communications to Pay.UK's guarantors and participants would need to set out clearly the reasons behind the proposed changes.
- 26.09.3 The Board **agreed** to recommend the proposed updates to the Articles of Association to the Guarantors for approval at the spring Extraordinary General Meeting (EGM).
- 26.09.4 The Board **approved** the Notice of EGM, Proxy Form and the special resolution, subject to the Chair being able to make any minor amends as needed, before the Notice of EGM was sent with the resolutions prior to the EGM.
- 26.09.5 **The Board approved** its revised Terms of Reference (ToR), subject to the Articles being approved by the Guarantors at the spring EGM, at which point the ToR would take effect.

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Annual report- update and Group consolidation – updated entity chart

- 26.09.6 The Board **approved** the minutes of the meeting to ratify the execution of two Payment Direction Letters that would document the accounting steps taken in emptying BPSL.
- 26.09.7 The Board noted the updates on the preparation of the 2025 Annual Report and Financial Statements and the group consolidation work.

Board Effectiveness Review update

- 26.09.8 The Board noted the improvements to the papers and the need to continue to improve the papers so that they were strategic, succinct and forward-looking.
- 26.09.9 The Board **approved** the Executive actions in response to recent Board Effectiveness Reviews.

**26/10 Closing Business**

- 26.10.1 The dates for the training session and next meeting were noted. The Chair advised that Richard Horne, CEO of the National Cyber Security Centre, would be presenting at the Board Training session scheduled for 25 February.
- 26.10.2 LT stated that she would be unable to attend and requested a briefing. **ACTION: LR**

**26/11 Any Other Business**

- 26.11.1 As there was no further business the Chair thanked all present and closed the meeting at 15:20.

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Chair