

**Pay.UK Limited Minutes of the Switching Services Participant Committee held on 23 September 2021 at 10:30am via Zoom**

**ATTENDEES:**

Jo Kenrick

**ORGANISATION:**

INED (*Chair*)

Pay.UK (*Secretariat*)

Pay.UK

Pay.UK

Pay.UK (*AI 09/21.01*)

Pay.UK (*AI 09/21.01 – AI09/21.02*)

Pay.UK (*AI 09/21.01 – AI09/21.03*)

Pay.UK (*AI 09/21.03 and AI09/21.05(partial)*)

Pay.UK (*AI 09/21.06a*)

Bank of Ireland

INED

INED

Lloyds Banking Group

HSBC

Nationwide

NatWest Group

Santander

Starling Bank

**APOLOGIES:**

Barclays

**09/21.01 Switching Services Budget Update**

**Action**

Pay.UK provided an update on the Switching Services for August 2021 financial performance.

CASS

Pay.UK walked the Committee through the August YTD and full year 2021 draft forecast as detailed in the accompanying paper. **[Redacted- commercially sensitive]**

CISA

**[Redacted- commercially sensitive].**

2022 Proposed budget

**[Redacted- commercially sensitive].** Pay.UK advised that there would be an update in regards to the NPA at the upcoming Strategy Day. Pay.UK agreed to liaise with the NPA team and ascertain if there may be value in them attending the Committee's next ordinary meeting to provide an update. **[Redacted- commercially sensitive].** The Chair noted that Pay.UK had recently appointed a new Chair of the Pay.UK Board and new CEO, which would provide an opportunity for Pay.UK to review and reset its direction of travel.

CASS 2022 pricing options

**[Redacted- commercially sensitive].**

CISA 2022 pricing options

**[Redacted- commercially sensitive].**

**Pay.UK  
14/10/2021**

**Pay.UK  
14/10/2021**

**09/21.02 Switching Services Risk Update**

Pay.UK provided an update of its risk profile, noting that it remains relatively stable with few changes to report since the previous meeting.

Covid 19: A continued focus on the impact of Covid-19 includes reviewing risk from both a strategic and operational perspective on a monthly basis. From 4 October Pay.UK will adopt a hybrid model as part of its Future Ways of Working, and staff have been made aware of the relevant principles.

Corporate Strategy: Work is still ongoing on the corporate strategy review and associated risks with an expectation to progress to implementation further to sign off and approval.

The Enterprise Risk Model (ERM) framework continues to be enhanced and Pay.UK has successfully run a pilot with its operations teams to include development of Key Risk Indicators and Key Control Indicators. A full roll out to business is progressing well.

Switching Services risk profile update: The profile itself remains stable, though a number of operational changes have been undertaken: **[Redacted- commercially sensitive]**

The Committee noted the report.

**09/21.03 CASS Strategic Review**

Pay.UK presented an overview of the latest CASS Strategic Review product workstream as outlined in the accompanying papers which covered the following three aspects:

- a. Product review (design phase)
- b. Infrastructure and Service Enhancements
- c. CASS KPI updates

Product review

**[Redacted- commercially sensitive]** Feedback from the survey focused on the following three areas of enhancements to the Switching Service:

1. Effectiveness of the e-Benchmarker study and feasibility implementation
2. Appetite for improvement across Full Switch (FS) and Payment Transfer Service (PTS); and
3. Appetite for further development of the Account Switching Service targeted at business customers.

The CASS Operations Committee would consider the responses at its next meeting on 28 September 2021, and will also be explored further at the CASS Strategy Day on 15 October 2021 to gauge feedback from other external stakeholders and any other additional feedback.

**[Redacted- commercially sensitive]** The Chair noted that whilst there appeared to be support for the other proposals outlined in the paper, the appetite for the improvement to the PTS would require further discussion for a consensus to be reached. An INED noted that BPRS was another product that appeared to face a similar challenge in that could the service be designed to serve all participants, or would it serve different service users in different ways. Pay.UK advised that it is currently exploring this area with Vocalink regarding the cost and pricing structure, as both of these were viewed as barriers to the service. Pay.UK noted that work on the PTS had been undertaken circa 2017 and rather than start the work afresh, this could be revisited.

Infrastructure and Service Enhancements:

Pay.UK walked the Committee through the CASS and CISA infrastructure and service enhancements as outlined in the accompanying paper, focusing in particular on activities which have been identified as high priority. For CASS, these included reviewing all switching messages to see if there is any benefit to introducing additional fields; investigating the functionality of other Pay.UK services such as CoP to be used as a pre-switch validation tool;

the feasibility of incorporating broader digital channel guidance in the brand guidelines; and how to improve the process of ensuring that direct debit mandates are correctly updated by SU following either a full or PTS progressing. The CISA priorities are more infrastructure-focused, including how to avoid duplicate account details being accepted when a CISA transfer is requested; and to understand the timelines and potential costs in developing the service to facilitate the transfer of outgoing Stocks and Shares ISAs. This would become more crucial as the service onboards more Stocks and Shares ISA providers. Elements of the paper would be presented during the planned Strategy Day on the 15 October. **[Redacted- commercially sensitive]**

CASS KPI updates:

Pay.UK walked the Committee through the current phase of the process and the key next steps as outlined in the accompanying paper. Pay.UK hosted a webinar was held on 24 August 2021 with participants, and feedback from that was shared with internal stakeholders. This further developed the new KPI target, Consideration to Switch. Work is currently being undertaken by an external partner to develop the model to stress-test the new KPI. The final recommendations will be presented at an extraordinary meeting of the Committee on 7 October 2021. The **[Redacted- commercially sensitive]**

Pay.UK advised that the proposal defines a target for each of CASS's target audience groups separately. The current Awareness target is the same for all groups despite their different needs. **[Redacted- commercially sensitive]** It was noted that whilst this approach was beneficial, it was important to note that Consideration to Switch would not always necessarily lead to a switch. A participant also noted that raising Consideration amongst a group that has other barriers could lead to less effective marketing. **[Redacted- commercially sensitive]** It was noted that one of the workshops at the CASS strategy day will explore tactics to help increase consideration outside of central marketing. Pay.UK also noted that Consideration is more impacted by brand advertising than acquisition advertising, and the current Awareness model demonstrates that participant acquisition is critical to raising awareness. The Committee noted the proposals.

**Pay.UK**  
**04/11/2021**

**09/21.04 CASS Strategy Day 2021**

Pay.UK presented proposals for the 2021 CASS Strategy Day scheduled for 15 October 2021. Feedback from participants from the 2020 event indicated a preference for two breakout sessions which would include both operational and strategic updates. The programme would also highlight progress on areas covered during the 2020 event. Presentations for this event

would be led by Manifesto, Engine and various Pay.UK personnel including its Switching Services Team. The event would require eight facilitators and eight scribes, and Pay.UK requested that if any of the Committee members are available in either of these capacities, to advise Pay.UK offline.

**Participants**  
**07/10/2021**

An INED requested that when planning the presentations, consideration is given to non-experts and consumer bodies present to ensure accessibility and that their views are incorporated throughout the day. Further to a query **[Redacted- commercially sensitive]**, Pay.UK noted that most of the Q&A and discussions took place during the breakout sessions, hence why these sessions had been made longer than the times allocated to the individual presentations; however, the proposed agenda would be revisited to see if more time for Q&A could be allocated at the end of the programme.

#### **09/21.05 Workstream updates**

Future scenarios – Pay.UK provided an update on two scenarios which had been updated since the Committee’s previous meeting:

“more seamless customer journeys” – e-Benchmarkers have -provided a proposal for research commencing October 2021 focussing on the digital current account switching journey for consumers and SMEs

“more security around payments and switching in a more robust infrastructure” – an Experian report demonstrated that current account fraud in Q2 2021 has risen by 24% compared to Q2 2020. Desk research is proposed to better understand the reason for the rise and how this can affect consumer perception of current account security and attitude to CASS.

An INED proposed that the research on this should be funded by Pay.UK rather than CASS, as they were not convinced there is a strong correlation between people’s perception of security and their consideration of switching, and that consumer’s concerns around fraud are not particularly relevant to what they think about CASS. Pay.UK advised that the research was to determine if there are any correlations at all; if so, only then would a deeper exploration be commissioned, and that Pay.UK do ensure that any research is relevant to each service line. Another INED noted that APP scams are within the remit of the CRM Code and there would be increasing transparency regarding how different banks interpret the code in terms of reimbursement, and consumers’ concerns about security and fraud increase will play a role in their switching decisions. Pay.UK added that consumers may not necessarily distinguish between different financial services, hence the proposal to research this area. Pay.UK added

that the desk research did not have a budget requirement; a budget would only be required if it transpired that further research is needed. The Committee approved the proposal.

Late MSG02s – The Pay.UK CASS Team wished to amend the RAG status criteria for late MSG02s which is presented to participants within the monthly CASS operational report. The change solely relates to the RAG criteria rather than the overarching SLA itself. This had already been discussed extensively and agreed by the CASS Operations Committee. It was noted that this would have no detrimental impact to the customer. The Committee approved the proposal. **Pay.UK**  
**14/07/2021**

CASS Acceptance Rate Working Group (ARWG) – **[Redacted- commercially sensitive]** Pay.UK has undertaken a change to the format of the daily acceptance rates and weekly commercial acceptance rate tables to include an adjusted daily figure excluding rejection codes that participants have the least influence over to understand if these codes are having a significant impact to acceptance rates. Pay.UK has also created a significant new bank rejection data set for participants to review and confirm the proportion of their own switching channels against the volumes of rejections they receive as new bank to see if the rise in digital switching has had a detrimental impact on switching rates. Pay.UK has started to receive output from this analysis which is being reviewed. However, some participants have advised that this and other acceptance rate activities will take time to progress due to other workstreams taking priority Pay.UK has advised participants that it is unable to validate the challenge to the 94% target rate without a full return on these data sets. Responding to a query from an INED, Pay.UK advised that most responses so far have been from low-volume participants as it is quicker for them to go through the data. These participants also do not tend to have primary digital switching. Pay.UK has provided additional questions to these participants to determine what messages are passed from branch teams to customers when they request a switch. An INED queried whether digital identity could be used to address issues identified if it transpires that an increase in digital switching proves a challenge to the 94% target rate. Pay.UK advised that it could investigate this by getting in touch with TISA. **Pay.UK**  
**07/10/2021**

Open banking update – Pay.UK walked through an update on Open Banking as detailed in the accompanying paper. **[Redacted- commercially sensitive]** Pay.UK will continue advise the Committee on any further updates. **[Redacted- commercially sensitive]**

#### 09/21.06 Participant dashboard

The Chair noted that an increase in awareness could be attributed to participant activity, but would monitor how this would change further with Q3 2021 marketing activity. The Committee noted the dashboard.

**09/21.07 Minutes of the previous meeting**

The Chair noted that the discussions regarding overdrafts under minutes 06/21.04 (Strategic Review) did not specify an action to progress. **[Redacted- commercially sensitive]** The Committee agreed that this area of work required further exploration to help the Committee understand exactly what the issues are. Pay.UK noted that work had been undertaken in this regard previously **[Redacted- commercially sensitive]** and this could be revisited and circulated with a view to consider whether this clarifies the current situation or whether further exploration is required.

**Pay.UK  
04/11/2021**

The Committee agreed the minutes and redacted minutes of the previous meeting subject to amending the start time from 10:30pm to 10:30am.

**09/21.08 Action log**

All actions featured on the log were confirmed as complete and agreed to close.

**09/21.09 Any other business**

- 1) Pay.UK advised that it although it will undertake hybrid working from 4 October 2021, it will continue to support remote working. Pay.UK offices will be open for participants to attend meetings in person, though acknowledges that each organisation will have its own policy on returning to the office. The Committee agreed to advised Pay.UK offline of its policy regarding attending meetings in person and, if appropriate, which committee meeting or workshop they could attend to enable at least one full face to face meeting in 2022. The 2022 meeting dates as outlined in the accompanying paper were noted.
- 2) Pay.UK advised that it is partnering with Small Business UK and the Social Marketing Foundation to host two virtual events in November. An email setting out details to this will be sent out accordingly.

**Participants  
04/11/2021**

**Date of next meetings: Extraordinary meeting: 7 October 2021 at 1:00pm**

**Ordinary meeting: 25 November 2021 at 10:30am**

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