

# Minutes

## REDACTED FINAL



7 February 2017

*Our Reference* FB 015/17

**To** Board

**From** Board Secretary

### MINUTES OF THE MEETING OF THE FPSL DIRECTORS HELD ON 7 FEBRUARY 2017

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**Present:**

Nick Caplan	Independent Chairman* (FPSL) (NC)
Duncan Ingram	Independent Director* (FPSL) (DI)
Tanya Castell	Independent Director* (FPSL) (TC)
Craig Tillotson	Chief Executive* (FPSL) (CT)
Paul Scott	Director* (nominated by Barclays Bank) (PS)
Melanie Martin	Director* (nominated by Citi) (MM)
Jim Pettigrew	Director* (nominated by Clydesdale) (JP)
Tony Richter	Director* (nominated by HSBC) (TR)
Christian Kramer	Alternate Director* (nominated by Mark Curran) (CK)
Rebecca Clements	Director* (nominated by Metro) (RC)
Helen White	Director* (nominated by Northern) (HW)
Anthony Parker-Stewart	Alternate Director* (nominated by John Hutton) (APS)
Mike Smith	Director* (nominated by Raphaels) (MS)
Robert White	Director* (nominated by Santander) (RW)
Julian Sawyer	Director* (nominated by Starling) (JS)
Jonathan Bye	Alternate Director* (nominated by Martin Wilson) (JB)
Andrew Grice	Observer (Bank of England)
JJ	Attendee (FPSL) (JJ)
MB	Attendee (FPSL) (MB)
FB	Attendee (FPSL) (FB)
GO	Attendee (FPSL) (GO)
SG	Attendee (FPSL) (SG)
PK	Attendee (FPSL) (PK)
RM	Attendee (FPSL) (RM)
PB	Attendee (FPSL) (PB)
JC	Secretary (FPSL)

**Apologies:**

Mark Curran	Director (nominated by Lloyds)
John Hutton	Director (nominated by Nationwide)



Martin Wilson

Director (nominated by Royal Bank of Scotland)

**\* Voting members of the Board of Directors - 16 out of 16 in attendance**

**328. DECLARATION OF DIRECTOR INTERESTS**

**Action**

RW declared he has access to Payments UK Board and project papers.

*Secretary's Note: The Register has been updated.*

The Board **NOTED** the Register of interests.

**329. DIRECTOR CHANGES**

The Board **NOTED** the appointment of J Sawyer, Director (nominated by Starling Bank).

**330. REPRESENTATION OF SERVICE USERS**

NC stated that all decisions taken at Board will take into consideration the interests of service users.

**331. OFFLINE DECISIONS SINCE THE DECEMBER MEETING**

NC advised that, on 1 February, the Board approved the completion of the investment in UTSP for the provision of the PKI service.

**332. DELIVERY GROUP UPDATE**

NC advised that a considerable amount of work had been undertaken since the December Board meeting. The PSR website is updated with the [latest updates](#) from the PSO Delivery Group.

NC stated that the Delivery Group has produced the NPSO Purpose and Strategic Objectives taking care with wording and terminology and ensured fairness and transparency.

NC also stated that the key areas being considered and discussed are:

- Corporate Structure (including the requirement for the NPSO to work in the public interest)
- Transition phase
- the strategy for shareholder/consumer engagement
- Board structure
- Funding

NC noted that there were tight deadlines which made the process demanding but there would be more communication with the wider

stakeholders. The intention was for the scheme chairs to meet with the guarantors of each scheme and, where possible, NC is happy to discuss the plans with any Board Director.

Legal advice had been sought regarding the clearance that would be requested from the Competition and Markets Authority which was expected to be submitted in May with a response due in August. The Board would be provided with the relevant legal advice to assist them in reviewing their recommendation for the scheme guarantors on the decision.

*[Redacted for confidentiality reasons.]*

NC finished by emphasising that there are a lot of people within the impacted Schemes who still need to deliver and they should be reassured and supported.

### **333. CHANGE INTRODUCTION**

CT shared the executive view of the context behind the portfolio priorities proposed for the year and summarised the following:

- PSR – Infrastructure market review impact on the tendering plans and General Direction 2 (access) where a favourable view was expected but with a strong drive to respond to the BoF's opening up of settlement access.
- Payments Strategy Forum – four work-streams within the Design Hub looking at defining high level business requirements which would support the CI tendering process:
  - a) End user needs: Payee validation, Request to Pay, Richer data
  - b) Define new payments high level business requirements – the board discussed the approach being taken, the potential for competition issues and queried how stakeholder consultation would be done
  - c) Implementation planning
  - d) Funding models
- Payments Strategy Forum - Financial Crime
  - a. know your customer hub, liability and education streams (not directly relevant to FPS)
  - b. cross industry data analytics to reduce fraud where FPS was participating in both interim and strategic solution development

c. intelligence sharing.

- Open Banking Implementation Entity – with representation from FPSL by RM.
- Payments UK – Working with MPSCo regarding Paym on confirmation of payee which would be API compatible.
- RTGS Renewal – working with John Jackson at the Bank of England – the strategy was due to be published in March.

CT referred to MPSCo and Paym and highlighted the main pieces of work currently being undertaken which includes the agreement of Paym Board that the database can be used for Direct Debit set-up account validation and confirmation of payee. Additionally the development of a standalone Paym app which will remove the dependency of waiting for all Paym Participants to build new functionality within their own apps.

The question was raised as to the implications of the new EU data protection regulations (GDPR - General Data Protection Regulation) and it was noted that legal advice was being sought from Baker McKenzie.

CT summarised by stating that Project Devon will move forward, along with confirmation of payments / payee validation and request for payment. A summary of projects being tracked will be presented at the March Board meeting.

### **334. CHANGE AND PORTFOLIO MANAGEMENT MEETING (CPMM)**

GO referred to FB 011 17 and walked through the initiatives to commence during the first three quarters of 2017.

Board were content with the portfolio proposal and for the work to proceed with the presented priorities.

**MB/GO**

The Board also requested the following: **Action FB 334**

- Project Definition Document and Project Plan for Project DEVON and Request for Payment to be presented to the March Board meeting.
- An industry timeline related to all payments change – an overlay to the portfolio priorities with items such as PSD2, Bank of England RTGS Renewal, Ring-fencing Consolidation, etc to be produced to help clarify what was achievable given the potential volume of work required to be done in parallel and the impact on Participants and other services users

- A summary of responses from the consultation issued before Christmas with regard to Business Hours and the proposal on next steps if the concept was to be progressed considering the wider implications.
- A summary of the change initiatives and progress, including progress by project against planned milestones, spend to date against budget and total initiative budget available, to be included in future Board reports.

### 335. REQUEST FOR PAYMENT

MB referred to document FB 012 17, emphasising slides 12, 13 and 24 and stated that a Project Initiation Document will be presented for discussion at the March Board meeting. It was noted that the implementation would align with the new architecture business requirements and should be a predominately strategic solution.

The Board also requested that an estimate of project costs and report of the risks and issues including minimum customer and biller participation also be available for the March Board meeting. **Action MB FB 335 (i)**

RW highlighted that Payments UK have a Request to Pay group and suggested that FPSL engage with them to determine synergy and avoid duplication of effort. **Action MB FB 335(ii)**

### 336. PROJECT DEVON – CENTRAL INFRASTRUCTURE RENEWAL

GO highlighted the project objective as set out on page 3 of document FB 013 17 and the key project drivers and transition approach on pages 4 and 5.

*[Redacted for commercially sensitive reasons.]*

CT stated that this is a robust plan to ensure a safe and secure transition with built in contingency.

The Board agreed that a phased approach, rather than a 'big bang' approach was sensible.

PS asked whether all stakeholders have a good understanding of the requirements given the Participant dependencies and implications.

NC stated that all Directly Connected Participants must be able to meet the deadline and it was noted that to start connecting in June 2019 these Participants might need to start work June 2018 which was only 18 months away, particularly given that it was highly likely that there would be two different approaches operating in parallel



during transition. RW suggested that external factors including PSO consolidation, Cheque imaging and PSD2 should also be taken into consideration.

GO stated that a Project Definition Document will be presented to the March Board meeting and will not include detail for later phases such as procurement but will contain detail for the coming year.

**Action FB 336**

**GO**

**337. ANY OTHER BUSINESS**

**Industry Achievement Award**

CT advised that, on 2 February, FPSL and R Raphaels and Sons won the Cards and Payments Industry Achievement Award for opening access to FPS. CT said that this was recognition of all the great work undertaken by the Access Steering Committee, staff and the Company as a whole. The Board welcomed this news.

**2017 FPSL Strategy Event**

NC advised that, with the work being undertaken for the PSO consolidation, the 2017 FPSL Strategy Event will not take place.

*[Redacted for confidentiality reasons.]*

**Helen White**

NC advised that this was HW's last Board meeting. HW is stepping down and moving on to do other things. NC thanked HW, on behalf of the Board, for her considerable contribution during her tenure.

**Distribution of Board Papers**

PS asked whether the meeting papers could be issued a little earlier to allow sufficient time to review ahead of the meeting. CT stated that every effort will be made to meet the request however this may result in the papers being issued in two or more tranches.