

Minutes

Wholesale Distribution Steering Group (WDSG)

17 October 2019

Location: **Bank of England, Threadneedle St, London EC2R 8AH (Room 1X)**

Attendees: **Bank of England:** Sarah John (Chair), Mark McLintock, Martin Etheridge, Ronan MccLintock, Kirsty Woodgate

UK Finance: Russell Saunders, Becky Clements (alternate),

Barclays: Tim Allen

Lloyds Banking Group: Otto Benz

Clydesdale/Yorkshire: Dougie Belmore (by phone)

HSBC: David Brook (alternate)

Royal Bank of Scotland: Richard Talbot

Santander: Robert White

Post Office: Russell Hancock (by phone)

HM Treasury: Mario Pisani (by phone) Derek Dunne (alternate)

Bank of Ireland: Julie Fitzgibbon

KPMG: Simon Walker

Apologies: Eric Leenders (UK Finance), Tom Wood (HSBC), Kevin McMullan (Danske Bank), John Garrett (First Trust Bank),

Item

1. Standing agenda items

- **September 2019 minutes:**

The group agreed the September 2019 minutes, and approved their publication.

- **Sharing information on stakeholder engagement:**

No updates were noted.

2. Project progress

KPMG provided a progress report on their work plan to help inform the future cash distribution model, covering:

1. Illustrative Strawmen models: A range of potential options were presented regarding:
1) ownership and operation of infrastructure, 2) wholesale cash in transit, 3) rules and standards and 4) legal and governance.

An Industry Steering Group (ISG) workshop is scheduled for 31 October which will seek to reduce these options to a smaller preferred set for further investigation.

Members revisited the success criteria, and highlighted those that they felt were most relevant for the ISG to take into account in their discussions about these aspects of the model. Members agreed that it would be helpful to develop a more detailed set of design principles to help guide decisions in future.

2. Wholesale Cash in Transit (CiT): Members agreed that wholesale cash supply chain and wholesale CiT is within scope of the model. End-point CiT is out of scope, but members agreed that the model must be mindful of the impact on these lines of business.
3. Stakeholder engagement: Members noted the bilateral stakeholder meetings scheduled by KPMG.

3. Industry forum proposal

Members agreed that maintaining transparency of the WDSG work is important. Members supported the Bank of England hosting an industry forum in November to provide the wider industry with an update on the work undertaken by WDSG to date and to invite feedback.

4. Update from visit to Netherlands

UK Finance and KPMG reported back on a fact-finding visit to the Netherlands to analyse the cash distribution model. Members agreed that there were interesting parallels between the UK and the Netherlands, and a number of ideas to consider. But it was also noted that there are differences in the existing cash market and banking sector structures that mean a precise replication of the Netherlands might not work in the same way in the UK.

5. Review outstanding actions

Actions were reviewed and closed where applicable.

6. AOB

None