

Minutes

Wholesale Distribution Steering Group (WDSG)

16 September 2019

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

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

UK Finance: Becky Clements (alternate), Russell Saunders

Barclays: No attendee

Lloyds Banking Group: Richard Hill (alternate)

Clydesdale/Yorkshire: Derek Walker (alternate, by phone)

HSBC: Tom Wood

Royal Bank of Scotland: Richard Talbot

Santander: Robert White (by phone)

Post Office: Russell Hancock (by phone)

HM Treasury: Derek Dunne (alternate)

KPMG: Simon Walker

KPMG: Oliver Kirby-Johnson

Apologies: Otto Benz (Lloyds), Eric Leenders (UK Finance), Tim Allen (Barclays), Dougie Belmore (CYBG), Mario Pisani (HMT), Martin Etheridge (BoE), Ronan McClintock (BoE)

Item

1. Standing agenda items

- **July 2019 minutes:**

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

- **Sharing information on stakeholder engagement:**

No updates were noted.

2. Update from meeting with Northern Ireland Banks

UK Finance reported on their recent meeting with the NI banks and confirmed that NI distribution would be considered within the scope of the project. The NI banks would be invited as observer members of the ISG. It was agreed the NI banks would also join WDSG as observers. The Bank of England will establish a bilateral line of communication with the NI banks to ensure they have opportunities to provide their feedback outside of these meetings.

3. **Update from UK Finance and KPMG**

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

Updates included;

1. 8 of 21 planned stakeholder meetings covering interested parties (e.g. Banks, Suppliers, IADs) have happened, with a further 9 arranged
2. Two separate data request templates for banks underwriting the wholesale distribution system and suppliers have been sent to gather relevant data points on cash operations. Responses will be input into one single financial model which will form the basis of the analysis.
3. Plan on a page agreed with Industry Steering Group (ISG), which concludes this phase of work by end March 2020

The group discussed the strands of Cash in Transit (CIT) operations (end-point, commercial and wholesale). While the scope of this work is wholesale only, and data collections would focus on this aspect of the market, it was recognised that an understanding of the interdependencies and knock-on effects between the different parts of the market is required in order to ensure that the proposed model is viable within the broader market context. Stakeholder engagement throughout the process was considered key to ensure relevant perspectives were fed into the work in this area.

The meeting discussed the timing for strategic questions to be tabled to the WDSG. It was clear there are a number of key questions which KPMG would need to bring forward. Given the intention was that the models would be assessed against the agreed Success Criteria, it was important that UK Finance and KPMG presented detail on how this would be undertaken given there would be trade-offs between the criteria.

4. **Review outstanding actions**

Actions were reviewed and closed where applicable.