

# Minutes

## Wholesale Distribution Steering Group (WDSG)

18 January 2021

---

Location: **The Meeting took place via audio link.**

Attendees: **Bank of England:** Sarah John (Chair), Elisabeth Bertalanffy-Fournier, Ronan McClintock, Camilla Pegg, Molly Galligan  
**UK Finance:** Eric Leenders, Phillip Mind, Russell Saunders, Julie Carruthers, Andrew Smith  
**Barclays:** Tim Allen  
**Lloyds Banking Group:** Martin Barrett  
**HSBC:** Sue Yarham  
**NatWest Group:** Richard Talbot  
**Santander:** Robert White  
**HM Treasury:** Azin Roussos, Derek Dunne  
**Post Office:** Russell Hancock  
**Virgin Money UK:** Dougie Belmore  
**G4S:** Paul Van Der Knapp  
**Vaultex:** Phil Vaughan  
**Royal Mint:** Anne Jessopp

Apologies: Nick Butt (Bank of England), Kevin McMullan (Danske), Julie Fitzgibbon (BOI), John Garrett (AIB)

### Item

#### 1. Standing agenda items

- **December 2020 minutes:**

The group agreed the December 2020 minutes, and approved their publication.

- **Sharing information on stakeholder engagement:**

None.

#### 2. Progress Update from UK Finance

##### (a) Update from ISG and proposed Special Purpose Vehicle (SPV)

UK Finance reported that the proposal to establish an SPV to deliver the next phase of work had received broad support from the members as the most appropriate model going forward. The SPV provides a level of flexibility and could be repurposed for any additional work required, or closed if this was deemed unnecessary. It was noted however that the funding members would be required to on-board the SPV as a new supplier which could take approximately 6-8 weeks. The group agreed that the timeline for this phase and key decision points would need to be refreshed to ensure it remains appropriate against the revised governance structure.

To mitigate against any significant delay to the project, UKF explained that they have been considering how best to resource the next phase of work with Subject Matter Experts (SMEs) who can provide analytical input and who are able to confirm that the proposed model would be structurally and operationally deliverable. The SMEs would be selected from both the WDSG members' organisations and independent cash industry experts. Further consideration will also be given to the requirement for a clean team to facilitate the sharing of potentially commercially sensitive information in a competition compliant and safe manner. Members noted that the approach would need further review once the knowledge and experience of the independent experts was known, and may need to seek further internal legal advice before committing to the proposal.

**(b) Revised timetable for next phase of work**

The members requested to see a project plan outlining the various workstreams for the next phase, with the key decision points and deliverables. The information requested would be provided to members.

**(c) Future governance**

The Bank reported that it is currently reviewing whether and how the WDSG will need to change to reflect the new project structure. A proposal for revised ToR for WDSG, including how it will interact with the SPV, will be brought to the next meeting in February for agreement.

In addition to reviewing the contract, which will be shared with members this week, UK Finance invited members to opine on the most suitable governance structure that would ensure relevant stakeholders are kept informed, without duplication of governance.

**3. Review Action Log**

Actions were reviewed and closed where applicable.

**4. AOB**

The Bank advised that the NCS review questionnaire had been circulated to members on 18 December. Responses were requested by 22 January and bilateral discussions could be arranged to address specific questions or the timeline.