



Institute of Credit Management

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Dear Sir/Madam

**RESPONSE OF THE INSTITUTE OF CREDIT MANAGEMENT TO:  
HM TREASURY – SETTING THE STRATEGY FOR UK PAYMENTS**

The Institute of Credit Management is the largest professional credit management organisation in Europe. Its members hold important, credit-related appointments throughout industry and commerce, and we feel it appropriate to comment on this consultation.

Our members' views were divided across options one and two and there was no support for option three.

Despite the divergent responses, there was consensus that, whatever the form of the body taking forward payments strategy, its makeup should be balanced and not overwhelmingly comprise bank representatives. Further, there was agreement that too much bureaucracy and government intervention should be avoided thereby reducing any impact on the public purse.

In response to the specific questions:

Q1. Do you agree that the creation of a Payments Strategy Board:

- should be the lead option for reform;
- provides the appropriate balance between Government intervention, impact and cost; and
- effectively tackles the issues the Government has set out?

Please provide evidence where appropriate to support your answer.

**Please see paragraphs above.**

Q2. The following questions relate to the changes the Government would expect the Payments Council to implement under Option 1. Some of the changes will also be considered if the Government proceeds with Option 2.

- a. Do you agree that the current remit and objectives of the Payments Council are broadly appropriate? If not, how should they be enhanced?

**The remit and objectives are broadly appropriate but the structure and membership needs review.**

- b. How can a clearer separation of the Payments Council's strategy setting and trade body representative functions be best achieved?

**A balanced representation of relevant stakeholders and parties should make up the council.**

- c. Do you agree that the Payments Council should commit to publishing annual progress reports against its objectives, supported by regular, independent performance reviews?

**Yes, although the independent reviews should not be delivered at great cost.**

- d. Do you agree that any two independent directors should have a right of veto over board decisions? The Government invites views on how the Payments Council's board can be strengthened further.

**If the structure and governance of the board is appropriately setup, the right of veto should not be required.**

- e. Do you agree that the existing user forums should be given enhanced functions and autonomy by being upgraded to independent User Councils?

**Yes, and/or they should have strong representation on the council.**

- f. How can Payments Council funding be put on a long term, secure footing?

**It should be funded by the banks.**

- g. How should a reconstituted Payments Council be given the means to enforce decisions more effectively in a self-regulatory environment?

**All parties to the council should recognise and implement decisions that it makes.**

- h. How can the membership of the Payments Council be broadened most effectively?

**By identifying and engaging appropriate stakeholders from across a broad range of interests.**

Q3.

- a. Do you agree with the proposed remit for a new Payments Strategy Board?

**If this becomes the chosen option, then we agree with the proposed remit.**

- b. Do you agree that the Payments Strategy Board should make recommendations to the payments industry, rather than requiring action? If you consider mandated action to be appropriate, please set out how such a method could work most effectively.

**As per earlier answers, the council should carry the consensus view and the industry should recognise and implement decisions from it.**

- c. Do you agree that the Payments Strategy Board should include senior industry representatives, non industry representatives and independents? What do you consider to be the right composition of the Board?

**The composition should equally represent the three categories identified on the basis of one third each.**

- d. Should the Payments Strategy Board have a formal information gathering power? If yes, what information should be covered by such a power, and what should an appropriate enforcement mechanism be?

**It should be a condition of membership that necessary information is provided to support the decision making process.**

- e. Do you agree that the Payments Strategy Board should be funded by an FCA levy on the payments industry?

**If this option is selected, there should be some government funding to support the additional costs involved.**

- f. Should the FCA have any further controls over the Payments Strategy Board?

**Only in an overseeing capacity.**

Should you have any queries, please do not hesitate to contact me.

Yours faithfully

**Glen Bullivant**

**Chair of Technical Committee**

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