

OPENING ADDRESS

Ruth Evans

Chair: Payments Strategy Forum

Second Payments Community Event

FINAL

Wednesday, 13 July 2016

CHECK AGAINST DELIVERY

Good morning everyone,

As I am sure you all know by now, I am Ruth Evans, the Chair of the Payments Strategy Forum. I must say it's good to see so many of you here this morning. I take this as a sign of just how committed the wider payments community is to engaging with the strategy, and working with us to make it the best it can be.

As Chair of this Forum, I can stand here today and tell you all that I am genuinely proud of our achievement – the publication of a draft Strategy after nine months of intensive work. Getting it here today, agreed and ready for discussion and consultation, has been no small task.

As I'm sure you can appreciate, there are a number of reasons why this has been such a challenge.

I took up this post because I saw this as a unique opportunity to do something that has never before been done in Payments.

That is, to bring both providers and users of this vast and

complex industry around the table, in one forum, with one objective – to set a collaborative strategy for innovation with the needs of users at the heart.

From the start, the Forum agreed a fundamental principle: that it would be a place where the voice of the user was heard by the providers and operators of payment services.

I am confident, that we have achieved that. I hope that today as you hear about our draft strategy you will recognise both the hard work and good will which has made this possible.

We have worked to timelines which I was told were ‘impossible’ when we began. We have secured the resources from the industry to make the work happen. And we have brought along with us a Payments Community of nearly 500 people.

I hope it is obvious to anyone who reads our draft strategy that this work is different from anything the Payments Industry has put together before. For the first time, users have had a front-

row in the development of a strategy which will directly affect the way they send and receive money.

I was brought in by the PSR as a Chair who was independent from the Payments Community and the wider Financial Services industry. While this meant that I had a pretty steep learning curve ahead of me, getting to grips with an incredibly complex and dynamic sector which is in the midst of huge change, it also presented an exciting challenge.

Because one of the virtues of having limited knowledge in any field, is that you are not impeded by pre-conceived ideas! I was able to look at Payments with fresh eyes, from the perspective of the user, without any of the history, any of the arguments, any of the old concepts in my mind. Instead, I made sure that all our proposals and solutions met a clear set of objectives.

They had to be:

- Solutions that made payment systems **secure and resilient**
- Solutions that made payment systems **efficient**
- And solutions that made payment systems **versatile and responsive to user needs**

All the recommendations were considered on their merits so I am confident that what we have produced has the potential to be genuinely transformative.

We have laid out the building blocks and potential design for an ambitious new architecture for payment systems that is based on a simpler structure that could give new players the opportunity to easily plug in and begin offering new and innovative products and services to consumers and businesses in the future, as their needs and the technology evolves.

None of this could have been done without the wider payments community. The Strategy represents the sum of your work,

conducted through the first Payments Community Event last September where you kicked off the work with a set of sixty plus detriments. These required refinement, analysis and the development of solutions, conducted by working groups totalling over 190 individuals and roundtable discussions involving more than 180 people. All of this was overseen by the commitment and hard graft of individual Forum Members who volunteered their time to see this through. In April we brought in KPMG, following a robust procurement process, to provide independent economic analysis and evaluation of our proposals that would assure us that the strategy solutions were economically robust and deliverable. We are hugely grateful to all of the organisations who funded this work – both those who sit on the Forum and members of the Payments Community who generously stepped forward and, recognising the importance of our work, wished to contribute.

With the help of Forum members who represent the end users – whether individuals, corporates or SMEs – we have examined all the ways different groups of people interact with the UK's payments systems, and have highlighted the improvements that cannot wait any longer.

They have insisted on more control for consumers making payments, greater assurance when making payments and the ability to send more information than ever before through our payments systems.

From large corporates through to vulnerable consumers, these Forum Members should be proud of the way that they have worked to ensure that these needs have been articulated and addressed.

Equally, the draft Strategy would not have been possible without the blood, sweat and tears of the payment services providers such as banks and representatives of FinTech companies.

And also the Payment System Operators who established their own consultative group, that I also chair, to engage with and inform the Forum.

Not only have they listened diligently, they have also genuinely sought to accommodate the demands of users. They have been flexible and creative in their suggestions to reconcile user needs with the requirements and practicalities of designing solutions and systems that are secure, resilient and efficient. However, I know that the hard work is not over yet.

Today marks the interim point in the process. We have arrived at the point when we need to hear from you. It's a temperature check, if you like, on our direction of travel and the quality of our proposals.

As you have heard many times by now, the development of the strategy is an iterative process between the Payments Community and the Forum. We have made it our priority to include the voice of the Payments Community along the way

through the working groups and roundtables, from which we have garnered systematic feedback at all stages of our thinking.

So I want to say thank you, to you the Payments Community, for all your hard work and commitment over these last 10 months. And that it's over to you now.

For the next nine weeks, the strategy is in your hands. So please, use today to understand our high level aims together with the technical detail beneath them, interrogate the recommendations and solutions, and take the Strategy back to your organisations in order to seek the views of those you represent, and respond with your comments. The Strategy has been developed through consensus. If there are elements you cannot support or have concerns about, or feel can be improved, this is the time for you to let us know.

This is why, we have listened to feedback from you and have decided to extend the period of the consultation until the 14th of

September so that – from the smallest to the largest organisations – everyone will be able to contribute in some way.

In this way, the final strategy will be an industry-wide, truly collaborative strategy for the future of this critical national infrastructure.

To finish up, I would like to say a final thank you to the PSR and the Forum Secretariat, for all their hard work in setting up the Forum, for liaising so ably with the Payments Community and for organising this event today.

I am proud of our work, and they should be too.

So now it's over to Faith Reynolds, one of our most industrious Members for the Forum, to tell you in more detail about how the voice of users has been represented.

Thank you.