

News

2022 in review

Chris Hemsley
Managing Director



Hello

In this edition of PSR News, I wanted to reflect on some of the important work and developments of 2022 – a year when there was a huge amount of activity going on at the PSR. We took action to protect people from scams, helped merchants get a better deal from their card payment services, and continued working to make sure payments are fit for the future.

Throughout the year, our work involved a lot of discussion and engagement with consumer groups, businesses and payment firms. This engagement and discussion is really important, and as COVID restrictions eased, we expanded our engagement programme, talking to people all over the country to help us make sure payments work well for everyone.

Focusing on where we have real impact

At the start of 2022, we published our five-year Strategy. This was the culmination of wide-ranging engagement and open discussions with all our stakeholders, helping us set a clear future direction. We used your input to establish the key outcomes we want to see in payments – and the priority areas where we can focus our resources to have the biggest impact. These principles are at the heart of all our planning, defining our approach and our work programme.

One of our priorities is protection: making sure people can make payments safely and confidently. We made big strides in our work to prevent payment scams and look after the victims. This included tabling proposals to make all payment firms provide new, minimum levels of protection for scam victims, and plans to publish data on banks' performance on scams. And we directed almost 400 more payment service providers to offer the Confirmation of Payee service as a safeguard against fraud.

We've also had an impact in the payment cards market, which affects millions of people and businesses. Following our market review of card-acquiring services, we issued new rules designed to help merchants get a better deal, and inject more competition into the market. And we began a major review of the fees that card schemes charge to merchants – to ensure people and businesses are getting a fair deal.

Holding the industry to account

Last year, we closed some key enforcement cases. These detailed, thorough investigations are a vital part of ensuring that payments work well, and that all firms comply with the rules. In 2022 we completed our competition act case involving a cartel in the pre-paid cards market, and two further investigations into infringements of the Interchange Fee Regulation. All told, we issued financial penalties totalling over £44 million. We take these matters very seriously, and we will take action when people don't comply with the rules we oversee.

continued 

Listening to our stakeholders

Our engagement with industry, business and consumer groups was a big part of our activity in 2022 – and will continue to be so. Hearing the views from all our stakeholders provides significant opportunities to develop and refine our proposals, so that they have the intended impact.

After two years where we were all predominantly working from home, I've really enjoyed getting back to meeting people face to face, attending industry events and participating in panel debates. It's been great to have conversations with all our stakeholders and get direct feedback on the important issues we're concerned with. An example is our annual plan launch event, which included panel discussions with people from the PSR and across the industry. The insights were fascinating, and the conversations were useful in helping to frame the longer-term debates about the future of payments. The event was a great opportunity to reconnect and build new contacts.

We also ran workshops to hear views on the future of payments from across different sectors and groups. These built on recommendations from the PSR Panel's Digital Payments Initiative, helping us to make sure the future of payments is inclusive for all.

As co-chairs of the Joint Regulatory Oversight Committee, the PSR and FCA established a strategic working group to share views and input into further developing open banking, the related community, and the future entity that will oversee open banking. And on scams, all our stakeholders played a key role in helping us develop our recommendations to prevent fraud and to protect scam victims.

The start of 2023

It's already been a busy start to the year. I'm sure you will have seen our announcement about the permanent appointment of Aidene Walsh as the chair of the PSR. This is great news. As many will know, Aidene has been on our board since June 2020 and has been our interim chair since 1 April 2022. I'm sure everyone will join me in welcoming Aidene to her permanent position.

Our ambitious work programme continues and we'll be setting out our focus areas for the next financial year in our annual plan, which we'll publish in March. We've already sent out our 'save the date' for the annual plan event, which I hope you will be able to make. I very much look forward to continuing our conversations with all of you over the course of the next year to make sure we are delivering the right outcomes for everyone.

As ever in this news summary, you'll find details of upcoming events – plus a handy infographic of our 2022 in action.

Here's to a successful 2023.

Chris

Chris Hemsley
Managing Director
Payment Systems Regulator

Events

 Click on any **underlined link** for more information

Counter fraud conference, 22 February

Chris Hemsley is giving a speech on the **Key to Tackling Fraud**. Talking about how the public sector can work together to tackle fraud in a joined-up way, understanding the different aspects of fraud prevention and the innovative ways to prevent fraudsters. **You can register here.**

MoneyLIVE summit, 8 March

Chris Hemsley is taking part in a fireside chat about the **Future of Interbank Settlements**. Discussing how interbank settlements can be transformed and how to future-proof. **You can find out more and register here.**

Pay360, 21 March

Chris Hemsley will join a regulatory panel talking about the **regulation rabbit hole** – what to expect in 2024 and beyond. Chris will be joined by colleagues from Pay.UK and FCA. **You can find out more and register here.**

Transform Finance UK, 23 March

Kate Fitzgerald, Head of Policy joins a panel discussing scams – **From Romance To Royal Mail**: Spotting New Scams And Making Your Customers Aware. **You can register here.**

Want to find out more? Visit our website at psr.org.uk

2022 in numbers

 **1** five-year strategy

We started the year by publishing our five-year Strategy, identifying four strategic priorities: access and choice; protection; promoting and protecting competition; and unlocking account-to-account payments.

 **3** policy statements

Two of which focused on Confirmation of Payee – ending dual running and then extending coverage of the name-checking service. And a third finalising our card-acquiring market review.

 **6** consultation papers

Covering our card-acquiring market review remedies; Confirmation of Payee; reimbursing victims of APP scams; reporting of APP scams data; and our regulatory fees.

 **7** specific directions

three about Confirmation of Payee, three as part of our card-acquiring market review remedies, and one updating the UK's network of free-to-use ATMs.

 **2** market reviews

Looking in detail at the levels, structure and types of scheme and processing fees in our market review of card scheme and processing fees. And our second market review focused on consumer cross-border interchange fees between the UK and the European Economic Area (EEA).

 **1** annual plan

Supporting our Strategy, our Annual Plan set out our focus areas for 2022/23 and what we will do to continue delivering good outcomes for everyone who uses payment systems.

 **1** annual report

Reflecting on our work during 2021/22, that saw us boost protections against payment scams for millions making online payments, ensure free to use cash machines remained available and in easy reach, and confirm the framework for delivering the next generation of payments infrastructure.

 **7** thought pieces

Including a series on unlocking account-to-account payments; card fees and understanding digital barriers.

£44 million issued in penalties

In 2022, we closed some investigations which saw us issue fines to regulated firms for infringing competition law in the prepaid cards market and fined another two institutions for non-compliance with the interchange fee regulation.

 **58** events attended

 **33** speaking events

We started meeting face-to-face again, and we took part in 33 events where we gave speeches, or took part in panel discussions.

PSR **10** events

We hosted 10 events of our own, including a welcome return of our Annual Plan launch event.

 **4** regional visits

We restarted our regional visits with Cambuslang and Rochford to hear about access to cash; Glasgow to speak with FinTechs about financial inclusion; and in Birmingham we heard from consumers about APP scams.



UK Parliament

4 select committee hearings

5 written responses

4 APPGs attended

Talking about our work is an essential part of what we do. We gave evidence at important parliamentary select committees four times covering, the work of the PSR, economic crime and the Financial Service and Market Bill, and provided five written responses to select committee inquiries.

Hearing a variety of views and being involved in other important discussions meant we attended four All-Party Parliamentary groups including APPG Data Poverty, APPG Crypto and Digital Assets and APPG Open Banking and Payments.

Stay up to date with the PSR

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