

Specific Direction 23

Mastercard and Visa

Pricing Governance

July 2026

Specific Direction 23: Mastercard and Visa Pricing Governance

1 Recitals

Whereas:

- 1.1** The PSR formally launched its scheme and processing fees market review in October 2022. In its final report, published in March 2025 (the Final Report),¹ the PSR concluded, that, in relation to pricing market outcomes:
- a. Mastercard and Visa revenues from scheme and processing fees have risen substantially in recent years;
 - b. the balance of scheme and processing fees falls on the acquiring rather than the issuing side;
 - c. the PSR's econometric analysis found average acquirer fees for mandatory services increased substantially in recent years;
 - d. the PSR's analysis of a specific set of fee changes found very limited evidence that new fees are driven by cost changes. However, our understanding of the drivers of fee changes was limited as Mastercard and Visa do not consistently record in writing all the factors considered by decision-makers when approving fee changes;
 - e. in the context of a lack of effective competitive constraints, the 'value-based' pricing schemes refer to is not an outcome of competition but reflects customers' willingness to pay and therefore is focused on the schemes' own financial performance.
- 1.2** For the reasons set out in the Final Report and the Decision published alongside this PG Direction, the PSR has decided to introduce several remedies, including a *pricing governance remedy* pursuant to which Mastercard and Visa will be required to improve their governance and record-keeping for their UK pricing decisions for scheme and processing fees charged to Acquirers.
- 1.3** This PG Direction sets out the PSR's remedies in respect of pricing governance.

¹ MR22/1.10 [Market review of card scheme and processing fees: final report](#) (March 2025).

2 Powers exercised and purpose

- 2.1** The Mastercard Payment System and Visa Europe Payment System are each designated by HM Treasury as Regulated Payment Systems under section 43 of FSBRA for the purposes of Part 5 of FSBRA.
- 2.2** Mastercard is the Operator of the Mastercard Payment System and has responsibility for managing and operating it. Visa is the Operator of the Visa Europe Payment System and has responsibility for managing and operating it.
- 2.3** The PSR gives this specific direction in accordance with section 54(1) and (2) of FSBRA. In accordance with section 54(3)(c), this PG Direction applies to specified persons.
- 2.4** In making its decision to use its section 54 FSBRA powers, the PSR had regard to section 62 of FSBRA (Duty to consider exercise of powers under the Competition Act 1998).
- 2.5** The purpose of this specific direction is to address the evidential challenges in relation to the schemes' pricing practices as set out in Recital 1.1(d) above.

Direction

Now the PSR gives the following Pricing Governance Direction (PG Direction) to Mastercard and Visa (each a Directed Operator)

3 Pricing governance and records

Requirements to record Acquirer Fee Decisions and compile Acquirer Fee Decision Records

- 3.1** Subject to section 5, each Directed Operator must maintain a written record of Acquirer Fee Decisions (the Acquirer Fee Decision Record) taken on, or after, the Effective Date.
- 3.2** Acquirer Fee Decisions are decisions to approve a proposal to introduce a New Scheme and Processing Fee, or a Modified Scheme and Processing Fee charged by a Directed Operator to Acquirers in respect of UK Transactions.
- 3.3** The Acquirer Fee Decision Record must:
- a. set out how the Directed Operator has met the requirements of section 3 and Annex 1 of this PG Direction;
 - b. include all of the information that the Directed Operator considers relevant for the purposes of understanding its reasons for reaching the Acquirer Fee Decision;
 - c. include a schedule that lists all of the documents presented or provided to Senior Managers or pricing committees in connection with the approval of an Acquirer Fee Decision (the Document Schedule). Such documents must be retained as if they were part of the Acquirer Fee Decision Record.
- 3.4** The Acquirer Fee Decision Record must be signed by the Senior Manager who took the Acquirer Fee Decision. Where an Acquirer Fee Decision requires approval from multiple Senior Managers, the Acquirer Fee Decision Record must record each approval of an Acquirer Fee Decision in writing, and explain the reasons for the pricing decision.

Requirement to pay due regard to the Pricing Decision Principle

- 3.5** When considering proposals to make an Acquirer Fee Decision, each Directed Operator must pay due regard to service users' interests (the Pricing Decision Principle).

- 3.6** For the purposes of this PG Direction, “must pay due regard to service users’ interests” means that the Directed Operator is required to assess as part of its decision making, to an extent reasonably practicable based on the circumstances, the impact of proposed fee changes or new fees on:
- a. the acquiring side of the market (as per Annex 1); and
 - b. competition, innovation, and the resilience of payment systems.

This must include the considerations set out in Annex 1.

4 Compliance and Annual Overview

Requirement to appoint an Executive Manager

- 4.1** Each Directed Operator is required to appoint an appropriately senior employee who meets the requirements set out in Annex 2 (either holding a position referred to in paragraph 2.1 (a) or (b) of Annex 2, or another suitable employee approved by the PSR pursuant to Annex 2), to perform the functions specified in paragraphs 4.7 and 4.10, and to provide when required reasons for actions or decisions regarding compliance with this PG Direction (a separate person will be appointed where necessary pursuant to paragraph 9 below). This person is referred to in this PG Direction as the Executive Manager.

Requirement to review governance and training

- 4.2** Each Directed Operator must have policies (including appropriate procedures and systems) that enable it to discharge its obligations under this PG Direction (the Compliance Processes) by no later than four Months after the Commencement Date (the Effective Date).
- 4.3** Within four Months of the Commencement Date each Directed Operator must:
- a. review and as appropriate amend its existing policies, procedures, and systems to ensure that appropriate Compliance Processes will be in place by the Effective Date;
 - b. put in place appropriate controls to ensure that its Senior Managers take Acquirer Fee Decisions in accordance with the requirements of this PG Direction;
 - c. provide training as appropriate to employees and contractors (including, if applicable, external advisers) who are materially involved in preparing, reviewing, or approving Acquirer Fee Decisions;
 - d. put in place appropriate controls to ensure that the Document Schedule to Acquirer Fee Decision Records is prepared and retained in accordance with the requirements of this PG Direction; and
 - e. give notice in writing to the PSR of the Compliance Processes it proposes to take to comply with this PG Direction (the Compliance Processes Notice), including a proposed template or draft setting how it will prepare Acquirer Fee Decision Records.

- 4.4** The Directed Operator must ensure any future changes to its Compliance Processes are consistent with the requirements of this PG Direction. Where the Directed Operator makes a material change to its Compliance Processes, it must provide the PSR with an updated Compliance Processes Notice.

Annual overview of Acquirer Fee Decisions

- 4.5** Each Directed Operator must provide annually to the PSR in writing an overview of its Acquirer Fee Decisions (the Annual Overview) taken in respect of Scheme Activities and Processing Activities in each Financial Year. This must include the information specified in Annex 3 of this PG Direction.
- 4.6** Each Directed Operator must provide its Annual Overview to the PSR within one Month of the end of each Financial Year that starts on or after 1 January 2027. Visa must provide its first Annual Overview covering the period 1 January 2027 to 30 September 2027. Mastercard must provide its first Annual Overview covering the period 1 January 2027 to 31 December 2027.
- 4.7** The Annual Overview must be signed by the Executive Manager(s) or by another suitable employee approved by the PSR.

Compliance reporting

- 4.8** Each Directed Operator must provide the PSR, in the format set out in Annex 3, a report to confirm that it has complied with this PG Direction and that its Compliance Processes remain compliant with this PG Direction (the Pricing Governance Compliance Report).
- 4.9** Each Directed Operator must provide the Pricing Governance Compliance Report to the PSR within one Month of the end of each Financial Year that started on or after 1 January 2027.
- 4.10** The Pricing Governance Compliance Report must be signed by the Executive Manager(s) or by another suitable employee approved by the PSR.

5 Requirements in respect of lower revenue fees

- 5.1** Subject to paragraph 5.2, the requirements set out in section 3 and Annex 1 shall only apply to Acquirer Fee Decisions where the Scheme and Processing Fee is reasonably anticipated to generate in excess of £250,000 in gross revenue in the UK in the full Financial Year following its implementation.
- 5.2** Where the Directed Operator adopts, simultaneously or within a period of less than 12 Months, and primarily for the same reasons, multiple Acquirer Fee Decisions (such that the reasons to be recorded pursuant to paragraph 3.3 of this PG Direction in an Acquirer Fee Decision Record are substantially the same for each Acquirer Fee Decision), the anticipated revenues are to be calculated on a cumulative basis.

6 Non circumvention

- 6.1** Each Directed Operator must not circumvent or attempt to circumvent this PG Direction directly or indirectly by any act or omission.

7 Record keeping

- 7.1** Except in so far as the PSR may otherwise consent in writing from time to time, each Directed Operator must keep:
- a. for a period of 10 Years (from the date of the relevant Acquirer Fee Decision) all the Acquirer Fee Decision Records, including documents that the Directed Operator has referenced in the Document Schedule;
 - b. for a period of 3 Years (from the date on which the required information and documents are generated or produced) all the information and documents that are required pursuant to paragraphs 4.3 to 4.5 and 4.8 of this PG Direction.
- 7.2** The PSR may request that each Directed Operator provide all or some of its Acquirer Fee Decision Records. The Directed Operator must provide the requested Acquirer Fee Decision Records within ten Working Days from the date on which the request is made (or within 30 Working Days from the date the relevant Acquirer Fee Decision is taken, whichever is the latest).
- 7.3** Without prejudice to paragraph 7.2, each Directed Operator must comply with a request for information by the PSR from time to time in relation to the following, within the timeframe specified by the PSR:
- a. the documents referenced in the Document Schedule to each Acquirer Fee Decision Record (excluding information that is subject to legal privilege, where relevant);
 - b. the operation of this PG Direction;
 - c. the Directed Operators' compliance, or proposals for compliance, with this PG Direction (or any provision of this PG Direction); and/or
 - d. monitoring the effectiveness and appropriateness of this PG Direction, including for the purposes of any work carried out in connection with this PG Direction.
- 7.4** If the PSR has reasonable grounds to believe that the Pricing Governance Compliance Report or an Acquirer Fee Decision Record is deficient, it can require the Directed Operator to provide the information the PSR has requested, or explain why it is unable to provide such information.
- 7.5** Paragraphs 7.1 to 7.4 do not affect the PSR's power to request such information under section 81 of FSBRA or section 8 of this PG Direction.

8 Compliance

- 8.1** If a Directed Operator has any reason to suspect that it has failed to comply with any requirement of this PG Direction, or it may fail to comply with any such requirement in the reasonably foreseeable future, it shall notify the PSR as soon as possible, explaining how it has, or may have failed to comply with this PG Direction, or how it may fail to comply with this PG Direction in the reasonably foreseeable future and, if applicable, what it has done, or proposes to do, to be or become compliant with this PG Direction. An overview of such suspected compliance failure and actions identified during a given Financial Year must be included in the Pricing Governance Compliance Report.

9 Requirements in respect of Interchange Fee Regulation separation

- 9.1** Each Directed Operator is responsible for ensuring that its compliance with this PG Direction is in accordance with existing laws and regulations, including the Article 7 requirement of the IFR and the RTS Regulation for separation of payment card schemes and processing entities (the IFR Separation Requirements). If the Directed Operator determines that compliance with the IFR requires it to do so, it must or may as the context requires:
- a. notify the PSR within four Months of the Commencement Date that it has decided to make changes to its Compliance Processes to reflect the IFR Separation Requirements;
 - b. maintain separate Compliance Processes in respect of its Scheme Activities and Processing Activities, subject to information exchange where reasonable and practicable in particular to ensure, to the extent possible, a consistent approach is being taken to compliance across the Directed Operator's business;
 - c. put in place separate Senior Managers for Scheme Activities and Processing Activities;
 - d. put in place separate Executive Managers for Scheme Activities and Processing Activities; and
 - e. prepare separate Annual Overviews and Pricing Governance Compliance Reports for its Scheme Activities and Processing Activities, subject to information exchange where reasonable and practicable in particular to ensure, a consistent approach is being taken to compliance across the Directed Operator's business.

10 Exemptions and Extensions

- 10.1** A Directed Operator may apply to the PSR for an exemption from the duty to comply with one or more obligations set out in this PG Direction, or for an extension of the timescale to comply with those obligations. Each Directed Operator shall be expected to act in

accordance with the PSR's guidance on exemptions and extensions (unless the PSR has withdrawn it).

- 10.2** The PSR may approve an application for an exemption or extension of timescales for compliance if it is satisfied that:
- a. exceptional circumstances reasonably prevent the Directed Operator from complying with the obligation or obligations; or
 - b. it is not reasonable or proportionate to require the Directed Operator to comply with the obligation or obligations in accordance with the applicable deadline or deadlines in this PG Direction.
- 10.3** In considering an application, the PSR will have regard to all the relevant circumstances, including the impact of approving the application on the achievement of the objectives of this PG Direction, including but not limited to the objectives referred to in the recitals of this PG Direction.
- 10.4** The application by the Directed Operator must be in writing and set out (as appropriate):
- a. the obligation or obligations to which the application relates;
 - b. the circumstances that, in the Directed Operator's opinion, justify the requested exemption, or extension of timescales for compliance with this PG Direction;
 - c. the specific aspect or aspects of this PG Direction to which the application relates;
 - d. the steps (if any) the Directed Operator has taken to comply with its obligations under this PG Direction;
 - e. if the Directed Operator is proposing that it comply with an amended form of its obligations under this PG Direction, the nature of the amendments sought; and
 - f. whether, in the Directed Operator's opinion, the application contains information that is confidential (and identify that information).
- 10.5** The PSR may ask the Directed Operator to provide further information for the purposes of determining the application (and the Directed Operator, when responding, must identify any information provided that, in its opinion, is confidential).
- 10.6** The PSR may reject an application or approve it in whole, or in part, and may make its approval subject to compliance with conditions (including a new deadline for compliance). In the case of an application for an extension of the timescales for complying with this PG Direction, a new deadline will be imposed as a condition. That deadline may be different to the deadline applied for.
- 10.7** The PSR may publish the application (and any further information provided about the application) and its decision (in accordance with its legal obligations as regards the protection of confidential information).

- 10.8** The effect of the PSR approving an application for an exemption or extension is that the Directed Operator need not comply with an obligation or obligations (as appropriate) imposed under this PG Direction to the extent it (or they) is (or are) disapplied (or delayed) by the approval, but the Directed Operator must comply with any conditions imposed by the PSR.

11 Giving notice and timelines

- 11.1** Unless specified otherwise by the PSR in writing from time to time:
- a. any notice or other communication given by a Directed Operator under or in connection with this PG Direction to the PSR must be in writing in English and sent by email to SchemeandProcessingFees@psr.org.uk and/or such other email address that may be notified by the PSR to Mastercard and/or Visa from time to time;
 - b. any notice or other communication given by the PSR to a Directed Operator under or in connection with this PG Direction must be in writing in English and sent by email to the email address nominated from time to time by each Directed Operator and approved in advance by the PSR for this purpose. In the event there is no approved nomination in place, a valid email address at the relevant Directed Operator deemed appropriate by the PSR may be used;
 - c. this paragraph does not apply to the service of any proceedings or other documents in any legal action in connection with this PG Direction.
- 11.2** Any notice or other communication made under or in connection with this PG Direction by a Directed Operator shall be deemed to have been received at the time of transmission to the appropriate email address, or, if this time falls outside Business Hours, when Business Hours resume.
- 11.3** Unless specified otherwise in this PG Direction or by the PSR from time to time:
- a. an act that a Directed Operator is required to do on, or by a particular Working Day must be done before the expiry of Business Hours on that Working Day;
 - b. a period expressed in Working Days, weeks, Months or Years is to be calculated from when an event occurs (the Start Date) and the day when that event occurs is not to be counted as falling within the period in question;
 - c. subject to (e), a period expressed in weeks ends with the expiry of whichever day in the relevant week is the same day of the week as the Start Date;
 - d. subject to (e), a period expressed in Months ends with the expiry of the same date in the Month as the Start Date, save that if that date does not occur in the relevant Month, the period ends with the expiry of the last day of that Month; and
 - e. where the time prescribed for doing any act expires on a day that is not a Working Day, the act is in time if done on the next Working Day.

12 Application

- 12.1** This PG Direction applies to the Operators of the Mastercard Payment System and Visa Europe Payment System.

13 Commencement

- 13.1** This PG Direction comes into force on the day it is published.

14 Citation

- 14.1** This PG Direction may be cited as Specific Direction 23: Mastercard and Visa Pricing Governance, or as the PG Direction.

15 Interpretation

- 15.1** The headings and titles used in this PG Direction are for convenience and have no legal effect.
- 15.2** The Interpretation Act 1978 applies to this PG Direction as if it were an Act of Parliament except where words and expressions are expressly defined.
- 15.3** References in this PG Direction to any statute or statutory provisions shall be construed as references to that statute or statutory provision as amended, re-enacted or modified, whether by statute or otherwise.
- 15.4** In this PG Direction, the words "including", "in particular", "for example" or similar expressions shall be interpreted as illustrative and without limitation or prejudice to the generality of any description, definition, term or phrase preceding those expressions.
- 15.5** A reference in this PG Direction to a 'document' shall mean any recorded information or communication in electronic as well as physical form, including, but not limited to internal data, reports or similar, presentations, and meeting minutes.
- 15.6** Reference in this PG Direction to a government department or non-departmental public body or organisation or person includes a reference to its successor.
- 15.7** A reference in this PG Direction to a "company", "corporate entity" or "entity" shall include any company, corporation or other body, wherever and however established or incorporated.

- 15.8** A change of name of an organisation, company or entity shall not affect any rights or obligations of that organisation, company or entity under this PG Direction or render defective any legal proceedings against it.
- 15.9** No delay, failure, forbearance or omission by the PSR in exercising any right or power under this PG Direction shall impair such right or power, nor shall any single or partial exercise of any such right or power preclude any further exercise thereof, or the exercise of any other right, or power.
- 15.10** The rights and remedies provided under this PG Direction are in addition to, and not exclusive of, any rights or remedies provided by law.
- 15.11** Annexes to this PG Direction form part of this PG Direction and shall have effect as if set out in full in the body of this PG Direction. Any reference to this PG Direction includes the Annexes.
- 15.12** The following definitions apply in this PG Direction:
- **Acquirer** means a payment service provider contracting with one or more **Merchant** to provide **Card-Acquiring Services** for card-based payment transactions.
 - **Acquirer Fee Decision** has the meaning given to it at paragraph 3.2.
 - **Acquirer Fee Decision Record** has the meaning given to it at paragraph 3.1.
 - **Annual Overview** has the meaning given to it at paragraph 4.5.
 - **Behavioural Fee** means a fee that a **Directed Operator** charges to incentivise or disincentivise specific behaviours from **Acquirers** or **Merchants**. This can include steering them towards the adoption of a particular process, technology or behaviour.
 - **Business Hours** means 9am to 5.30pm **UK** time on a **Working Day**.
 - **Card-Acquiring Services** means services to accept and process card transactions on behalf of a **Merchant** which result in a transfer of funds to the **Merchant**.
 - **Card Payment System** means the **Visa Europe Payment System** or **Mastercard Payment System**, as appropriate.
 - **Commencement Date** means the day referred to in paragraph 13.1.
 - **Compliance Processes** has the meaning given to it in paragraph 4.2.
 - **Compliance Processes Notice** has the meaning given to it in paragraph 4.3 (e).
 - **Corporate Group** means a group as defined in Section 1261 of the Companies Act 2006 and applies irrespective of whether a body corporate is registered in the **UK** or elsewhere.
 - **Decision** means the **PSR's** Final Decision on Remedies: Information, Transparency and Complexity Remedy; Pricing Governance Remedy, July 2026.

- **Directed Operator** means either, or both of **Mastercard** and **Visa** as the context requires.
- **Document Schedule** has the meaning given to it in paragraph 3.3 (c).
- **Effective Date** has the meaning given to it in paragraph 4.2.
- **Executive Manager** has the meaning given to it in paragraph 4.1.
- **European Management Committee** means, as the context requires, the board or the executive management committee of one or both of **Visa Europe Limited** or **Mastercard Europe S.A.**
- **EU Exit instrument** means the Exiting the European Union Technical Standards (Interchange Fee Regulation) Instrument 2019 made by the **PSR** in March 2019 using powers delegated to it by HM Treasury under the European Union (Withdrawal) Act 2018.
- **Financial Year** means as the context requires, a financial year of the **Directed Operator**, comprising an accounting period of 365 days (or 366 days in a leap year) in respect of either or both **Directed Operators**.
- **FSBRA** means the Financial Services (Banking Reform) Act 2013.
- **Issuer** means a bank or other organisation licensed by **Mastercard** and/or **Visa** to provide cards to cardholders. The **Issuer** pays an **Acquirer** the money a merchant is owed for the transaction (retaining the interchange fee) and debits a cardholder's account.
- **IFR** means the Interchange Fee Regulation 2015/751 as retained EU law and applied in the UK as amended by the Interchange Fee (Amendment) (EU Exit) Regulations 2019.
- **IFR Separation Requirements** means the requirements specified in section 9.
- **Mandatory Scheme Fee** means a fee that an **Acquirer** has to pay for a **Mandatory Scheme Service**.
- **Mandatory Scheme Service** means a service that an **Acquirer** has to buy from a **Directed Operator** as a condition of participation in the relevant **Card Payment System**.
- **Mandatory Processing Fee** means a fee that an **Acquirer** must pay for a **Mandatory Processing Service**.
- **Mandatory Processing Service** means a service that an **Acquirer** has to buy as a condition for processing transactions through a processor.
- **Mastercard** means the collective entities within the **Mastercard Corporate Group** that are each an **Operator** and together the **Operator** of the **Mastercard Payment System** and their successors and assigns, their connected undertakings, subsidiaries, divisions, and group.

- **Mastercard Europe SA** means the corporate entity registered in Belgium with company number 0448.038.446 and registered address at Chaussee de Tervuren 198A, Waterloo, 1410 Belgium.
- **Mastercard Payment System** means the **Regulated Payment System** designated by the **Mastercard 2015 Order**.
- **Mastercard 2015 Order** means the Order designating Mastercard as a **Regulated Payment System** made by HM Treasury under section 43 **FSBRA** on 19 March 2015.
- **Month** means a calendar month.
- **Merchant** means an organisation that accepts card payments.
- **Modified Scheme and Processing Fees** means **Scheme and Processing Fees** which have been subject to changes to the level of a **Scheme and Processing Fee**; changes to calculation logic of a **Scheme and Processing Fee**; and/or changes to triggers of a **Scheme and Processing Fee**, and **Modified Behavioural Fees**, **Modified Mandatory Scheme Fees**, **Modified Mandatory Processing Fees** and **Modified Optional Fees** (including **Modified Opt-In Optional Fees** and **Modified Opt-Out Optional Fees**) shall be construed accordingly.
- **New Scheme and Processing Fees** means new **Scheme and Processing Fees** and **New Behavioural Fees**, **New Mandatory Scheme Fees**, **New Mandatory Processing Fees**, and **New Optional Fees** (including **New Opt-In Optional Fees** and **New Opt-Out Optional Fees**) shall be construed accordingly.
- **Optional Fee** means a fee for an **Optional Service**, including **Opt-In Optional Fees** and **Opt-Out Optional Fees**.
- **Opt-In Optional Fee** means a fee for an **Opt-In Optional Service**.
- **Opt-Out Optional Fee** means a fee for an **Opt-Out Optional Service**.
- **Opt-In Optional Service** is an **Optional Service** that an **Acquirer** actively chooses to receive.
- **Opt-Out Optional Service** is an **Optional Service** that an **Acquirer** is signed up to unless they actively choose not to receive it.
- **Optional Services** are services that are an integral part of a card transaction (e.g. authentication and fraud protection), but where the customer has a choice whether to use this service. This includes services that an **Acquirer** can source from alternative suppliers, and those that can only be sourced from a **Directed Operator** but that an **Acquirer** can choose not to buy.
- **Operator** has the same meaning as under section 42(3) **FSBRA** in relation to the **Mastercard Payment System** and **Visa Europe Payment System**.
- **Payment System** is a payment system for the purposes of section 41 (1) **FSBRA**.

- **Payment Systems Regulator** or **PSR** means the body corporate established under Part 5 of **FSBRA**.
- **PG Direction** means this direction.
- **Point of Sale** means the physical premises of the **Merchant** at which the payment transaction is initiated. However:
 - in the case of distance sales or distance contracts (i.e. e-commerce) as defined in regulation 5 of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, the point of sale shall be the address of the fixed place of business at which the **Merchant** conducts its business regardless of website or server locations through which the payment transaction is initiated;
 - in the event that the **Merchant** does not have a fixed place of business, the point of sale shall be the address for which the **Merchant** holds a valid business licence through which the payment transaction is initiated;
 - in the event that the **Merchant** does not have a fixed place of business nor a valid business licence, the point of sale shall be the address for correspondence for the payment of its taxes relating to its sales activity through which the payment transaction is initiated.
- **Pricing Decision Principle** has the meaning given to it in paragraphs 3.5 and 3.6.
- **Pricing Governance Compliance Report** has the meaning given to it in paragraph 4.8.
- **Processing Activities** should be construed in the same way as “processing activities” for the purposes of Article 7 **IFR** and “processing services” for the purposes of the **RTS Regulation**.
- **Regulated Payment System** means a **Payment System** designated as a regulated payment system by a designation order made by HM Treasury under section 43 **FSBRA**.
- **RTS Regulation** means the Commission Delegated Regulation (EU) 2018/72 which supplements Article 7 (1) (a) **IFR** as assimilated into English law by the **PSR** when it adopted the **EU Exit Instrument**.
- **Senior Manager** means staff at a **Directed Operator** in positions of executive or managerial responsibility who are authorised to make, or have decision-making authority regarding **Acquirer Fee Decisions** that relate to **Scheme Activities** or **Processing Activities**.
- **Scheme Activities** means the supply by a **Directed Operator** of services relating to participation in the relevant **Card Payment System** to their customers (**Issuers** and **Acquirers**) but excluding any **Processing Activities**.
- **Scheme and Processing Fees** means fees charged by a **Directed Operator** in return for services relating to participation in the relevant **Card Payment System** and fees charged by processing entities to their **Acquirer** customers for authorisation, clearing and settlement services for card payments, including **Behavioural Fees**, **Mandatory**

Scheme Fees, Mandatory Processing Fees and **Optional Fees**. A singular reference to a **Scheme and Processing Fee** is a reference to any of these fees.

- **UK** means the United Kingdom.
- **UK Transactions** means card transactions that involve a **UK Point of Sale**.
- **Visa** means the collective entities within the **Visa Corporate Group** that are each an **Operator** and together the **Operator** of the **Visa Europe Payment System** and their successors and assigns, their connected undertakings, subsidiaries, divisions, and groups.
- **Visa Europe Limited** means the company registered in England and Wales with company number 05139966 and registered office at 1 Sheldon Square, London, W2 6TT.
- **Visa Europe Payment System** means the **Regulated Payment System** designated by the **Visa 2015 Order**.
- **Visa 2015 Order** means the Order designating Visa Europe as a **Regulated Payment System** made by HM Treasury under section 43 **FSBRA** on 19 March 2015.
- **Working Day** means any day of the week other than a Saturday or a Sunday, Christmas Day, Good Friday or any other day that is a bank holiday in England and Wales under the Banking and Financial Dealings Act 1971.
- **Year** means any period of twelve consecutive **Months**.

Made on 30 July 2026

David Geale

Managing Director

Payment Systems Regulator

Annex 1

Requirements relating to content of Acquirer Fee Decision Record

- 1.1** Each Directed Operator must ensure that each Acquirer Fee Decision Record complies with the requirements set out in this annex.
- 1.2** Paragraph 3.3(a) of this PG Direction requires the Acquirer Fee Decision Record to satisfy each of the requirements set out in this annex.
- 1.3** The Acquirer Fee Decision Record must document, with reasons, the following considerations and their relevance to the Acquirer Fee Decision:
 - a. the purpose and objective of the proposed New Scheme and Processing Fee, or Modified Scheme and Processing Fee (as appropriate);
 - b. whether the proposal relates to a New Scheme and Processing Fee, or Modified Scheme and Processing Fee;
 - c. the proposed fee structure including fee drivers, discounts, rebates and incentives;
 - d. the basis for approving the proposal, including if applicable any amendments made to the proposal prior to its approval; and
 - e. how the Directed Operator considered the Pricing Decision Principle (as specified further below in paragraphs 1.5 and 1.6, and Table 1) and its own commercial interests.

Requirements relating to the Document Schedule to the Acquirer Fee Decision Record

- 1.4** The Document Schedule to the Acquirer Fee Decision Record must clearly reflect any documents presented or provided to Senior Managers or pricing committees of the Directed Operator in respect of the Acquirer Fee Decision.

The Pricing Decision Principle

1.5 When making Acquirer Fee Decisions, each Directed Operator must pay due regard to the Pricing Decision Principle. This must include consideration of the requirements set out in Table 1.

1.6 Where the Directed Operator has not satisfied any of the requirements in respect of an Acquirer Fee Decision, it must reflect this in its Acquirer Fee Decision Record and report it to the PSR in its Pricing Governance Compliance Report, and set out its reasons.

Table 1: Requirements relevant to consideration of the Pricing Decision Principle

Requirement	Description
a. Impact on the Directed Operator	- Consideration of the anticipated first-year net revenue impact of the proposed fee change in respect of UK Transactions including quantitative analysis of expected first-year net revenue impact and details of underlying assumptions relevant to quantified estimates of impact - Consideration of whether the proposed fee decision is linked to any change to the Directed Operator's costs, and if so, the relative weight attached to such change in the proposed Acquirer Fee Decision.
b. Impact on Acquirers (and Merchants, to the extent that a Directed Operator holds relevant information about Merchants)	- For all fees except Behavioural Fees and Optional Fees, consideration of the impact on Acquirers. - This must include consideration of the anticipated financial impact on Acquirers at a level of detail that is proportionate to the materiality of the fee change under consideration.
c. Competition and specific improvements	- Consideration of the existence of an actual or potential competing service. - Consideration of whether the proposal relates to specific improvements to a service, or to investment in product development that allows the Directed Operator to improve its existing services or introduce new services. If it does, how and to what extent this informs the fee level.

Requirement	Description
d. Behavioural Fees: consideration of purpose and impact on Acquirers	If the proposal relates to a Behavioural Fee, the Directed Operator must consider: • The behaviour the proposed fee is intended to address • The Behavioural Fees associated with this behaviour in the past Financial Year (or part Financial Year), and/or any forecasts of future cost or adverse effect / impact associated with this behaviour in ◦ the current Financial Year (or part Financial Year) or ◦ the next Financial Year. • How the proposed fee seeks to address the cost or impact of not incentivising or disincentivising the associated behaviour. • How the New Behavioural Fee or proposed fee change is expected to affect Acquirers' behaviour. • How the Directed Operator intends to review the operation of the proposed fee.
e. Optional Fees: Consideration of Acquirers	If the proposal relates to an Optional Fee, the Directed Operator must consider: • The interests of the most appropriate class or classes of Acquirers. Depending on the specific context, this may be all Acquirers, Merchants, or a more limited subset (for example those Acquirers taking the existing service to which the proposal relates). • The structure of the fee, in particular whether and why the service has been designed as an Opt-In Optional Service or an Opt-Out Optional Service.

Annex 2

Requirements relating to the appointment of the Executive Manager

- 2.1** The Executive Manager appointed pursuant to paragraph 4.1 of this PG Direction must have the necessary knowledge, skills and experience to perform the role and responsibilities required by and under this PG Direction, and must hold at least one of the following positions:
- a. a board level position within the Mastercard Corporate Group or Visa Corporate Group (as appropriate);
 - b. be a representative of the European Management Committee of the Directed Operator or its ultimate parent company; or
 - c. hold a senior role in respect of compliance matters.
- 2.2** Each Directed Operator must give notice in writing to the PSR setting out the details of the Executive Manager, or Executive Managers, and how they meet the requirements set out in paragraph 2.1 of this Annex 2.
- 2.3** In assessing the suitability of an individual proposed under paragraph 2.1(c) of this Annex 2 as an Executive Manager, the PSR shall evaluate their suitability based on the criteria specified at paragraph 2.1 of this Annex alone. Approval by the PSR shall not unreasonably be withheld. If the PSR has reasons to believe that the individual proposed as an Executive Manager does not meet the criteria specified at paragraph 2.1 of this Annex, it may require the Directed Operator to propose an alternative candidate Executive Manager.
- 2.4** Where the Directed Operator intends to reassign the role of the Executive Manager, it must give notice in writing to the PSR seeking its approval, setting out the details of the Executive Manager(s), and how they meet the requirements set out in paragraph 2.1 of this Annex, prior to the appointment taking effect.

Annex 3

Requirements relating to the Annual Overview and Pricing Governance Compliance Report

The Annual Overview

- 3.1** The requirements relating to the content of the Annual Overview are set out in Table 2. The Directed Operator may either use the PSR template to submit the information required, or submit its own document, along with an annotated version of the template to show where it has provided each element of the information required in its submission.

Table 2: Requirements relating to the content of the Annual Overview

Requirement	Descriptions of the elements of the Annual Overview
General information required in respect of all Acquirer Fee Decisions	a. A description of the Scheme and Processing Fee: i. Name of the Scheme and Processing Fee; ii. Specify whether the Acquirer Fee Decision relates to the introduction of a New Scheme and Processing Fee or a Modified Scheme and Processing Fee. b. Categorisation of the Scheme and Processing Fee (as defined in this PG Direction), being one of a: i. Mandatory Scheme Fee; ii. Mandatory Processing Fee; iii. Optional Fee (including whether it is Opt-In Optional Fee or an Opt-Out Optional Fee); or iv. Behavioural Fee. c. Date of Acquirer Fee Decision: i. The date the final Acquirer Fee Decision was taken.

Requirement	Descriptions of the elements of the Annual Overview
	d. Anticipated net revenue associated with the Scheme and Processing Fee: i. Reasonably anticipated UK revenue of the Acquirer Fee Decision in the Financial Year following its implementation. ii. High level comments on methodology. e. Scheme and Processing Fee notification date: i. Date that notification was provided or is planned to be provided to Acquirers (provide dates for the start and end of the notifications process). f. Implementation date; the date the Scheme and Processing Fee entered or will enter into effect.
Save for fee decisions to which the requirements in Section 3 and Annex 1 do not apply pursuant to paragraph 5.1 of this PG Direction, specific information required in respect of each Acquirer Fee Decision	g. Financial impact of the Acquirer Fee Decision relative to a counterfactual of no fee change. h. Connected fees: outline whether the Acquirer Fee Decision has a financial impact on the expected revenue of an existing Scheme and Processing Fee (s) or an incoming Scheme and Processing Fee (s).
For fee decisions to which the requirements in Section 3 and Annex 1 do not apply pursuant to paragraph 5.1 of this PG Direction	i. In the first full Financial Year that follows the Acquirer Fee Decision being implemented: actual revenues generated in the UK from the Scheme and Processing Fee.
A high-level outline of aggregated Acquirer Fee Decisions taken in the Financial Year	j. Directed Operator must provide a summary setting out the key fee drivers behind its Acquirer Fee Decisions, this is to be done with specific reference to the considerations set out in paragraph 1.3 and Table 1 of Annex 1 of this PG Direction.
Required by:	k. To be provided to the PSR within one Month of the end of each Financial Year.
Signed by:	The Executive Manager(s)

Requirements relating to the content of the Pricing Governance Compliance Report

- 3.2** The requirements relating to the content of the Pricing Governance Compliance Report and format of such report are set out below.

Requirements relating to the content of the Pricing Governance Compliance Report

I, [name], confirm on behalf of [Mastercard/Visa], that:

- a. Subject to any matters reported in paragraphs [b] below, in the Financial Year [date] to [date]:
 - i. [Mastercard/Visa] has complied with this PG Direction, including, without limitation, compliance with the requirements relevant to the consideration of the Pricing Decision Principle, as set out in Table 1 of Annex 1 of this PG Direction;
 - ii. [Mastercard/Visa] has complied with the requirements set out paragraph 5 of this PG Direction; and
 - iii. [Mastercard/Visa] has not taken action, directly or indirectly by any act or omission, or attempted to circumvent the requirements imposed on it under this PG Direction.
- b. [*Include where applicable:* [Mastercard/Visa] was unable to satisfy all the requirements relating to the Pricing Decision Principle in the following Acquirer Fee Decisions:
 - i. [Set out each Acquirer Fee Decisions where the Directed Operator was unable to satisfy all requirements relevant to the consideration of the Pricing Decision Principle, specifying the requirement(s) in question, and the reasons for not being able to satisfy it.]
- c. Subject to any matter reported in paragraph [d] below, in the Financial Year:
 - i. [Mastercard/Visa] has complied with the requirements relating its Compliance Processes, and ensured these remained consistent with this PG Direction.
- d. [*Include where applicable:* [Mastercard/Visa] has:
 - i. identified and addressed the below suspected compliance failures of the PG Direction, [specify each suspected compliance failure [or each instance] and what action was taken to address it]; and/or
 - ii. has identified below suspected compliance failures of the PG Direction and has planned the following actions to address these, [specify each suspected compliance failure [or each instance] and planned action including timeline to address it].]

- e. Signed on behalf of [Mastercard/Visa]:
 - i. Date [to be provided to the PSR within one Month of the end of each Financial Year]
 - ii. Signature [The Executive Manager(s)]

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