

Our annual plan and budget 2022/23

Our annual plan and budget sets out our key aims, activities and expected costs for the year 2022/23. We publish this to provide a clear overview of what we are doing, why and how.

As the UK's specialist regulator for payment systems, our vision is for payment systems to work well for everybody – and on the whole they do. Our work involves every part of the payments ecosystem and since 2015 we have worked hard to make payment systems safer, more accessible and competitive. However, there are a number of important issues we need to address:

- Fraud is increasing.
- There are risks to fair competition.
- We want to support the growth of new payment methods.

In January this year we launched our five-year Strategy, which is based on four key outcomes that we want to see in UK payments:

- Payment systems meet people's needs.
- Users are protected.
- There's effective competition.
- Payment systems are efficient and commercially sustainable.

Our priority action areas

Our Strategy set out the priority areas where we'll focus our work, which will help us achieve these outcomes. Everything in the work programme we set out in the annual plan is designed to support our priorities. In this way we can make sure we use the resources at our disposal in the places where they can have the most positive impact.

- **Access and choice:** Ensure users can use the payment services they rely on and have effective payment options.
- **Protection:** Ensure people and businesses are sufficiently protected when using the UK's payment systems.
- **Competition:** Promote competition between systems and in payment services
- **Unlocking account-to-account payments:** Act to ensure the interbank systems provide infrastructure, rules and incentives that foster innovation and competition.

To deliver these improvements it's crucial that we maintain strong relationships with our stakeholders, continue to make new ones, and strengthen the partnerships we have with other authorities and regulators, to make sure that payment systems work well for everyone who uses them – now and in the future.

Key projects in 2022/23

Account-to-account retail payments and card fees

We're working to make account-to-account payments become a realistic alternative to credit and debit cards. This should mean more competition between payment systems, giving people more choice and improved services.

Authorised push payment (APP) scams

We're continuing our work to reduce scams, protect victims, and tackle financial fraud by coordinating industry efforts and information-sharing.

We've consulted on further measures to help fight APP scams and protect victims, and will take the responses into account as we decide on the next steps.

Confirmation of Payee (CoP)

We want as many people as possible to use the CoP name-checking service, to reduce money lost through fraud and accidentally misdirected payments.

We've already directed the UK's six largest banking groups (which cover around 90% of transactions) to implement CoP, and other payment service providers have now also implemented it. This year, we'll examine if we need to take further action to make CoP more widely available.

The future of cash

We want to make sure people are able to get access to cash, so that everybody has ways of making payments which meet their needs. We're working with the government as it develops the regulatory framework for cash, and considering our long-term approach to the elements in our remit.

The New Payments Architecture

The New Payments Architecture (NPA) – the UK payments industry's proposed new way of organising the clearing and settlement of payments made from one payment account to another, known as interbank payments.

The NPA should provide a resilient way of making account-to-account payments, and encourage competition and innovation in the interests of consumers and businesses.

We'll continue to engage with Pay.UK and potential infrastructure providers to understand how they intend to comply with our regulatory framework.

Card-acquiring market review

Card-acquiring services are an essential part of the card payment process, which merchants have to pay for. We want to make sure the market for card-acquiring services works well – so merchants and, ultimately, consumers get a better deal.

Following our review of this market, we're developing a set of measures to improve merchants' ability to compare and switch between card-acquirers.

Cryptoassets, stablecoins and central bank digital currencies

Digital currencies and cryptoassets are still very new – and largely unregulated. We're working with other regulators on the upcoming legislative framework to help protect consumers using them for payments.



Read our annual plan and budget at the PSR website.