

Policy statement

Specific Direction 17 (Confirmation of Payee) – Removing the expiry date

October 2026

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1 Summary and background

- 1.1** We have removed the expiry date from our Specific Direction 17 (SD17), which requires most payment service providers (PSPs) to provide the Confirmation of Payee (CoP) service. This means CoP will continue to protect people and businesses as it does now.
- 1.2** We introduced CoP requirements through Specific Direction 10¹ in 2019, updated them through Specific Direction 11² in 2022, and expanded participation through SD17 in October 2022.
- 1.3** SD17 required all directed PSPs to deliver CoP by 31 October 2024. It is currently due to expire on 1 November 2026. CoP is now widely adopted. Our compliance work has found that more than 320 organisations offer CoP checks, representing over 99% of organisations initiating Faster Payment transactions in the UK. More than two million CoP checks are completed every day.³

Removing the SD17 expiry date

- 1.4** CoP is the account name-checking service that helps reduce misdirected payments and certain types of authorised push payment (APP) fraud. It is widely adopted and covers most Faster Payments and CHAPS payments in the UK. However, its effectiveness depends on broad and consistent participation across sending and receiving PSPs.
- 1.5** SD17 is due to expire on 1 November 2026, so the PSPs it covers would no longer have a regulatory obligation to provide CoP. Over time, this could weaken CoP coverage as PSPs may stop using it, and new PSPs might not adopt it.
- 1.6** To address this risk, we have removed SD17's expiry date. It will continue in force until we vary or revoke it.

Reviewing the requirement to provide CoP

- 1.7** We will review the regulatory requirement to provide CoP in five years to make sure it is still necessary and proportionate.
- 1.8** We may review the requirement earlier if we consider that significant developments affecting CoP or the wider payments landscape warrant it. In making that assessment, we will take account of relevant developments arising from the work to deliver the National Payments Vision, including the work of the Delivery Company (DelCo), alongside changes to retail payments infrastructure, new types of payment and how new payment methods interact with existing systems.

1 *Specific Direction 10: Requiring the introduction of Confirmation of Payee* (August 2019): <https://www.psr.org.uk/media/gp2juzmg/psr-specific-direction-10-confirmation-of-payee-february-2020.pdf>

2 *Specific Direction 11: Closure of initial technical environment for Confirmation of Payee* (February 2022): https://www.psr.org.uk/media/reefc5go/psr-sd11-consolidated_may-2022.pdf

3 *Confirmation of Payee: Compliance report on Specific Direction 17* (November 2025), <https://www.psr.org.uk/publications/access-and-governance-reports/confirmation-of-payee-compliance-report-on-specific-direction-17>

- 1.9** The National Payments Vision also set out the Government’s ambition for a trusted, world-leading payments ecosystem, delivered on next-generation technology, where consumers and businesses have a choice of payment methods to meet their needs. Payments infrastructure plays a vital role in enabling this Vision – acting as a foundation to achieve a payments ecosystem that is innovative, competitive and secure.
- 1.10** Through our work as a member of the Payments Vision Delivery Committee (PVDC) and an observer of the Retail Payments Infrastructure Board (RPIB), we are supporting work on the future payments ecosystem and infrastructure to enable richer, more standardised and timely data flows, including the secure sharing of fraud-relevant data. These capabilities could strengthen fraud prevention and detection by supporting more effective monitoring and analytics by PSPs, as well as network-level visibility of emerging threats.

Expanding the scope of SD17

- 1.11** We will consider the case for expanding our CoP requirements to a wider group of PSPs to include those who currently provide CoP voluntarily. This includes [the larger retail banks]. We will engage with affected firms to test the potential impacts identified through the consultation, including incremental governance, compliance and legal costs, before consulting on any resulting proposal.
- 1.12** In the meantime, our decision to remove SD17’s expiry date preserves the existing regulatory baseline for CoP. While it does not change the scope of SD17, it allows us to consider separately whether and how its requirements should apply to a wider group of PSPs.

2 Our decision and assessment

Our decision

- 2.1** We have decided to give Specific Direction 17a (SD17a), which removes the expiry date from SD17. It does not change the scope of SD17, and therefore which PSPs are directed. We will review the regulatory requirement in five years and may do so sooner if we consider a review is warranted.
- 2.2** PSPs currently directed under SD17 will remain subject to its requirements beyond 1 November 2026. SD17a will not bring PSPs that provide CoP voluntarily into scope. However, we do intend to consult on expanding the scope. We will engage with affected firms before we decide on the detail of this, and how to implement it.

Decision to remove SD17's expiry date

- 2.3** We consider this removal is appropriate because CoP is a network service. Its effectiveness depends on broad participation by sending and receiving PSPs. Removing the expiry date preserves the regulatory baseline that supports the current level of coverage.
- 2.4** Our decision reflects the potential consequences of allowing the existing regulatory obligation to expire. A CoP check can only be completed where both the sending and receiving PSP take part. The current breadth of participation means that customers can generally expect CoP to be available when making Faster Payments or CHAPS payments between UK accounts. If PSPs withdraw from the service, or future PSPs do not join it, fewer payments will be covered and CoP will be less effective in protecting consumers.

Further engagement on expanding CoP

- 2.5** We recognise the benefits of placing CoP providers on a more consistent regulatory footing. In principle, we favour expanding the scope to include more PSPs. A consistent framework could reduce the risk of directed and voluntary providers having different obligations or standards.
- 2.6** In our consultation we asked for views on expansion rather than on the detailed design of a settled proposal, and comparatively few affected voluntary providers responded. Of those that did, some said that a new regulatory obligation could affect their governance, compliance and legal maintenance processes.
- 2.7** In light of this initial feedback, we will continue to engage with affected firms to test those potential impacts and inform our next steps. We will assess the evidence we gather before deciding a proposed approach to expansion, which we will consult on.

Proportionality

- 2.8** We consider that removing SD17's expiry date is appropriate and proportionate for four reasons.
- 2.9** First, it maintains an existing obligation and does not impose a new requirement to build or begin providing CoP
- 2.10** Second, allowing SD17 to expire would remove the only requirement for PSPs to provide CoP. This could weaken coverage.
- 2.11** Third, it largely maintains the regulatory status quo. The cost benefit analysis we did for SD17 showed that its benefits were likely to outweigh its costs, and consultation responses did not identify material additional costs if it continues. We recognise that PSPs falling in scope in future could incur costs, but we expect the overall incremental impact to be small.
- 2.12** Fourth, we will review the regulatory measure in five years and may do so sooner if appropriate. This will allow us to reassess its effectiveness, necessity and proportionality without the uncertainty created by another fixed expiry date.
- 2.13** Our decision to engage further on expansion of SD17 allows us to test the incremental impacts identified by voluntary providers before we decide the details of any expanded requirement.

Future review

- 2.14** We will review the regulatory requirement to provide CoP in five years. We may consider doing this sooner if significant developments affecting CoP or the wider payments landscape warrant it.
- 2.15** Relevant significant developments could include Those arising from the work to deliver the National Payments Vision, including the work of DelCo as well as:
- a. material changes to the UK's retail payment infrastructure
 - b. the emergence or significant growth of new types of payment, particularly where they interoperate with, substitute for, or materially affect existing payment rails
 - c. changes to the operation, governance or interoperability of Faster Payments, CHAPS or other relevant payment systems
 - d. significant changes in fraud risks or trends
 - e. material developments in payments technology, account-verification services or CoP arrangements
 - f. significant changes to the wider regulatory framework
- 2.16** These examples are illustrative, non-exhaustive and will not operate as automatic triggers. We will consider the nature, scale and likely impact of any development when we decide if we should review the requirement.

2.17 In our review, we will consider whether having a regulatory obligation is still effective, necessary and proportionate, and whether SD17 is still the best way to do it. We may consider whether SD17 should continue, or if we should vary it, revoke it or incorporate it into another regulatory instrument or rulebook.

2.18 We expect to consider:

- available evidence on CoP participation and coverage
- fraud risks and trends
- misdirected payments
- developments in types of payments used by consumers and businesses
- interoperability between new payment methods and existing payment rails
- relevant changes to CoP arrangements, retail payments infrastructure and the wider regulatory landscape
- the choice of regulatory instrument.

3 Consultation responses

Overview

- 3.1** We received 11 responses to the consultation, of which 4 responses came from PSPs who would be brought under a regulatory obligation to provide CoP if we expanded the scope of SD17. Other respondents included already directed PSPs, trade bodies, payment system operators, and infrastructure providers.
- 3.2** We asked eight questions, covering the proposed removal of SD17's expiry date, future review arrangements, expansion of scope, implementation issues, possible transitional arrangements, legal mechanism, costs and benefits.

Question 1: Do you agree with our proposal to extend the duration of SD17 by removing the expiry date? If not, why and what alternative would you propose?

- 3.3** Eleven respondents answered this question. Those in favour described CoP as an established part of the UK payments system that helps reduce fraud and misdirected payments. Some said that retaining the regulatory framework would help preserve broad and consistent participation. One respondent supported removal but stressed that the framework should remain subject to ongoing assessment.
- 3.4** Respondents opposing the proposal argued that SD17 had substantially achieved its original purpose, that CoP was already widely adopted, or that an indefinite regulatory requirement would be inconsistent with wider regulatory simplification. One PSP said that it intended to continue providing CoP so we did not need to require it to do so.

Our assessment

- 3.5** CoP is widely adopted and the consultation did not provide evidence of widespread or imminent withdrawal. However, expiry could lead to reduced coverage and weaken the protection available for affected payments over time.
- 3.6** We also consider that our review mechanism appropriately addresses concerns about SD17 continuing indefinitely without reassessment.

Final position

- 3.7** We have decided to remove SD17's expiry date.

Question 2: If we remove SD17's expiry date, should we commit to reviewing it in future? If so, when should a review take place and what event, or other factors, should trigger it?

- 3.8** Eleven respondents answered this question. Most supported a future review of SD17.
- 3.9** Some proposed a fixed review period, with timings ranging from two to five years.
- 3.10** Several supported a review linked to material developments affecting the environment CoP operates in.

- 3.11** Some respondents supported combining an event-based review with a fixed longstop.

Our assessment

- 3.12** We agree that the regulatory obligation should not continue without a mechanism for reassessing whether it remains necessary and proportionate. An event-based approach allows us to respond flexibly to significant developments rather than waiting for a predetermined date, while a five-year backstop provides assurance that a review will take place in any event.
- 3.13** We may consider an earlier review where developments are sufficiently significant, as we have set out in Chapter 3.
- 3.14** We will review the regulatory requirement to provide CoP in five years. If there are significant relevant developments, we may consider reviewing it earlier.

Question 3: Do you agree with expanding the scope of SD17 so that it applies to all PSPs that currently offer CoP? If not, why not?

- 3.15** Eleven respondents answered this question. Most supported expansion in principle.
- 3.16** Those in favour said that expansion could place CoP providers on a more consistent regulatory footing, preserve network coverage and reduce the risk of gaps or fragmentation. Some questioned whether our proposed definition would capture all current providers appropriately, and whether a uniform approach would reflect different CoP use cases and business models.
- 3.17** Three respondents opposed expansion. They questioned whether the consultation had demonstrated a market failure, a material risk of withdrawal or sufficient incremental consumer benefit to justify additional regulation. They also raised concerns about additional governance, compliance, assurance and legal maintenance costs, duplication with existing CoP requirements, and consistency with wider regulatory simplification.

Our assessment

- 3.18** Expansion could produce benefits through greater consistency of regulatory treatment. However, regulatory consistency is not, by itself, sufficient to establish that expansion is necessary and proportionate. The impacts respondents raised relate primarily to the incremental consequences for existing CoP providers, rather than costs of introducing or operating CoP itself.
- 3.19** Respondents said they did not have a clear understanding of the practical scope of expansion, its incremental benefits and the costs of converting voluntary provision into a regulatory obligation. In particular, the fact that a PSP already provides CoP does not necessarily mean that bringing it within a direction would have no material impact. PSPs could face new governance, compliance, evidential and legal requirements even without a new technical build.
- 3.20** We have decided not to expand SD17's scope through SD17a. We favour a consistent regulatory framework for all PSPs that provide CoP and intend to pursue expansion. However, the consultation responses raised legitimate questions about the impact on firms that already provide CoP voluntarily.

- 3.21** We will engage with affected firms to get more detailed evidence, and then make a separate proposal on whether and how we should proceed with expansion.

Questions 4 to 8

- 3.22** Questions 4 to 8 sought views on the proposed scope and categorisation of PSPs, transitional arrangements, the appropriate legal mechanism, and the costs and benefits of expansion.
- 3.23** Respondents expressed differing views on the proposed categories. Some considered them understandable or appropriate, while others preferred a single definition or sought greater clarity about regular operation, group structures, third-party provision and the treatment of different legal entities. Views also differed on whether transitional arrangements would be needed and whether any expansion should be implemented through a specific or general direction.
- 3.24** Some respondents expected the costs of expansion to be limited because the affected PSPs already provide CoP voluntarily. Others identified potential governance, control, compliance, assurance, change-management and legal-maintenance costs, even where no technical build would be required. Respondents supporting expansion identified potential benefits from more consistent regulatory treatment, maintaining network coverage and reducing fragmentation, while others questioned whether those benefits would justify the additional regulatory burden.
- 3.25** These responses demonstrate that the scope, legal mechanism, implementation arrangements, costs and benefits of any expansion require further consideration. We will use them to inform targeted engagement with PSPs that currently provide CoP voluntarily. We will then assess the available evidence before deciding whether, and if so how, to propose expansion. Any resulting proposal will be subject to consultation.

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