

Annual report and accounts 2020/2021



In 2020/21, we made effective use of our specialist knowledge and resources to improve outcomes for people and businesses across the UK.

The year was defined by COVID-19, lockdowns and other restrictions. In the first part of the year, we examined our operational and strategic priorities and reset our timelines for several projects, so we and the industry could adapt where necessary. We balanced the need to address urgent priorities with making progress towards further longer-term improvements which benefit everyone. This meant we could keep focusing on the outcomes we want for people using payment systems, using our full range of regulatory tools to get the right results in the right way.



We made sure people could get access to cash throughout the pandemic, working with LINK to ensure cash machines remained stocked. And we moved forward with our work fighting payment scams: we worked to expand the Confirmation of Payee service, and challenged the industry to make further improvements to its reimbursement code.

Our investigation into potential cartel behaviour in the prepaid cards market showed the value of our enforcement powers; our work put a stop to a harmful practice affecting vulnerable members of society.

With our eye on long-term outcomes for people making payments, we re-examined the development programme for the UK's New Payments Architecture. We thought the risks to delivery were too high, and began consulting on ways to reduce them. And we used an informal digital approach to get valuable feedback for our proposed PSR Strategy for the next five years. This work will allow us to focus our resources where they can have the most impact, so we can continue making sure payment systems work well for everyone.



Read our annual report at the PSR website.

How we made a difference in 2020/21

Fighting payment fraud

We continued our work fighting authorised push payment scams, where people are tricked into making a payment to a fraudster.

We've overseen the introduction of Confirmation of Payee (CoP), the name-checking service aimed at preventing scams and improving security in interbank payments. We'd previously directed the UK's six largest banking groups (representing around 90% of bank transfers over Faster Payments and CHAPS) to implement CoP, which they'd all done by July 2020. During the year we began working on expanding the service to more banks.

We've also issued a call for views on measures we think can improve the industry's Contingent Reimbursement Code. This sets rules for signatory banks about reimbursing fraud victims who've taken suitable care over their transaction.

Protecting people's access to cash

We did vital work to ensure people could continue accessing their cash throughout the pandemic and beyond. We worked with LINK to make sure cash was available in ATMs across the country. And we collaborated with LINK, the Financial Conduct Authority, industry, and consumer groups to understand cash access issues in local areas and identify solutions.

Effective enforcement

Our investigation into a possible prepaid cards cartel put a stop to a harmful practice. This affected welfare payments to vulnerable members of society such as the homeless, victims of domestic violence and asylum seekers. The parties involved face fines of over £32 million if we ultimately conclude they infringed competition law.

Keeping the UK's new payment system on track

We identified risks to the industry's delivery of the UK's New Payments Architecture (NPA). It's vital that the NPA delivers its intended benefits of improved security and choice for people making payments between banks (known as interbank payments). In February we began a consultation on proposals for reducing the risks during the NPA's development and beyond.

Working to improve card-acquiring services

We've been carrying out a market review of this vital part of the card payments process. We analysed a huge amount of data for our interim report, where we concluded that many businesses could be getting a better deal. This, in turn, could lead to better prices for consumers. We expect to publish our final report and consult on our proposed remedies in the autumn.



Focusing on the future

We engaged with stakeholders across the board as we developed our future PSR Strategy. We're focusing on the outcomes we want to see in payments, to help us make sure they continue to work well for everybody as technology and services evolve. We published our proposed strategy for consultation in June 2021.