

# News

Autumn 2022



**Chris Hemsley**  
Managing Director  
Payment Systems Regulator

## Welcome to this latest update from the PSR.

Welcome to this latest update from the PSR. A lot has happened over the last few months, so in this edition we have updates from Kate Fitzgerald about our card-acquiring market review and our published final remedies; Claire Simpson on our work to tackle authorised push payment (APP) scams; and Andrew Self on the progress being made in open banking.

But firstly, some organisational news. We've appointed Kate Fitzgerald as our new Head of Policy after a competitive external recruitment process. Kate had been acting as our Interim Head of Policy after Genevieve Marjoribanks left the PSR in the summer. Many of you will know Kate, and I'm delighted that she's agreed to take on the role permanently.

There have been some other organisational changes as we say farewell to both Louise Buckley, our Chief Operating Officer, and Carole Begent, our General Counsel and Head of Regulatory and Competition Enforcement. Louise and Carole had


been with the PSR since the start, and played pivotal roles in helping to shape and build the organisation. This means we've had a chance to think about what the next stage of our development looks like; we'll start recruiting into the new Executive team shortly.

This summer saw our first in-person annual plan launch for a while. It was great to see so many of you there, giving us the chance to reconnect or meet for the first time. These events are one of the ways we can engage with you all – helping us to understand your perspectives and what's happening in payments. I'm grateful that so many of you spoke directly with our teams about our ongoing work.

As I've mentioned, Claire talks more about our APP scams proposals in this edition. These are an opportunity to make a step change in preventing APP scams – so it would be remiss of me not to mention that our **consultation is open** until 25 November. Please share your views.

## In this update

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## Events update

### The importance of engagement

We value the conversations we have with our stakeholders and the big impact they can have. They're often the most effective way to achieve positive change.

In the last few months, we have held constructive and insightful sessions with some of our stakeholders, including a Lived Experience session with BritainThinks, a joint TechSprint with the FCA and an APP scams webinar. We've also released a series of **thought pieces** about unlocking account-to-account retail payments

We continue to engage with our stakeholders through workshops, roundtables, webinars and speeches. At our next webinar on Thursday, 10 November, we'll discuss our penalty policy statement.

**[Sign up and read more about the session.](#)**

### PayExpo: Payments Leaders' Summit UK

Chris addressed this summit on 5 October, talking about some of the challenges that we're focusing on – many of which are linked to the transition towards greater use of digital payments.

**[Read the full speech here](#)**

### Open Banking Expo

Chris spoke at this event on 20 October. He focused on the future of Account-to-Account retail payments and the four broad issues that we need to address.

**[Read the full speech here](#)**

### Open Banking Excellence

Aidene Walsh, our interim Chair, joined a panel discussion on 20 October, talking about open finance and financial inclusion and how they can help to build a better world.

**[Watch the full video here](#)**

### Financial Crime 360

On 22 November, Chris and Kate will talk on separate panels about mitigating risk and payment fraud.

**[Register here](#)**

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## Our executive leadership team



### Chris Hemsley – Managing Director

Chris has overall responsibility for the work of the PSR. He joined in November 2018 as Head of Policy and Strategy. In April 2019, he became co-Managing Director, before being permanently appointed as Managing Director in September 2019.



### Kate Fitzgerald – Head of Policy

Kate is responsible for leading the development of regulatory policy. She joined the PSR in May 2020 as Senior Advisor and was interim Head of Policy from June 2022, before being permanently appointed in October 2022.



### Natalie Timan – Head of Strategy, Analysis and Monitoring

Natalie joined the PSR in September 2021 from the BBC where she was Chief Economist; before this she was Director of Economics at the Competition and Markets Authority. Natalie leads on the development and evolution of the PSR's Strategy and new Strategy and Analysis division.

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## Stay up to date with the PSR

To keep up to date on our work and consultations, sign up or review your **[subscriber preferences here](#)**.

Please share this link with anyone you feel will benefit from receiving our updates.





## Helping merchants get a better deal

**Kate Fitzgerald**  
Head of Policy

**On 6 October, we issued three directions setting out new rules which could help businesses save thousands of pounds, by encouraging them to search for the best deal for accepting card payments.**

Card-acquiring services play a crucial role in the payments sector – from the businesses that use them to accept payments, to the consumers using them to pay – so it's important they work well for everyone. Our card-acquiring market review was an incredibly big undertaking, but the new requirements will really make a difference to merchants across the UK.

Our directions will make sure that card-acquiring service providers are more transparent about their charges; they'll have to provide a summary box showing how their costs stack up for each contract. They must also remind businesses when their contracts are due to expire, sending them trigger messages to prompt them to compare other services. And contracts for point-of-sale (POS) terminals (the card readers that let you pay in a shop) will no longer operate for more than 18 months.

We believe that a lot of businesses could save thousands of pounds a year if it was simpler for them to compare prices and switch providers. The steps we're taking will make it easier for the 1.5 million small and medium sized businesses in the UK to do this, benefiting both them and their customers.

We've directed 14 firms to implement the remedy for POS terminal contracts from January 2023, and the two remedies around trigger messages and summary boxes from July 2023. The directions also apply to any independent sales organisations that set up contracts on the firms' behalf.

While our work on this review has concluded with these directions, our focus on cards continues. We have now published the final terms of reference for our new market reviews of **cross-border interchange fees** and **scheme and processing fees**. We're looking forward to continuing our conversations with you as this work develops.



# Tackling authorised push payment scams

**Claire Simpson**  
Senior Manager – Policy

We've been taking steps to tackle authorised push payment (APP) scams and improve the protection for victims.

In **our latest consultation** we're looking at specific proposals that would put mandatory reimbursement in place for all online and mobile payments. In line with protections for other types of payment and financial services, the rules would apply to payments over £100, and have an excess up to £35.

We've been leading the debate on how best to tackle the problem of APP scams, and we've been clear that we want the payments industry to change the way it manages them. We believe our proposals are the most effective way to achieve the right outcomes: more victims getting their money back; and a level playing field regardless of who you bank with, because protections will be consistent for all victims. Importantly, we've also recognised that banks and building societies need the right incentives to prevent APP scams. And it's really clear that both the sending and receiving banks should bear the responsibility for allowing fraudulent payments.

Over the last couple of weeks, we've been hearing some of your views – and those of consumers as well – in sessions designed to test our proposals. So far, the reaction has been positive. You can send your thoughts on our plans until 25 November.

But in addition to these protections, prevention also goes a long way towards tackling the problem. Our latest **direction on the implementation of Confirmation of Payee** will see around 400 new firms providing this vital protection to new payments being made by their customers. This means customers can have every faith that banks are checking their payments and protecting their money.



# The future of open banking



**Andrew Self**  
Senior Manager, Policy

**In March, together with the Financial Conduct Authority (FCA), Competition and Markets Authority (CMA) and the Treasury, we created the Joint Regulatory Oversight Committee (JROC) to provide a vision for the future of open banking, building on its success to date.**

The committee sees the potential for the payments industry to deliver new services, provide greater consumer protection and ensure open banking remains interoperable with any possible future open finance initiatives.

To realise this potential, JROC is keen to work closely with industry and other stakeholders to actively drive this forward. Over the summer it established a **strategic working group** (SWG), with Bryan Zhang as independent Chair. This will be the key vehicle to gain insight from industry. The SWG will identify the opportunities and barriers to establishing a sustainable open banking ecosystem beyond regulatory requirements. From a PSR perspective, we're particularly interested to hear industry and stakeholder views on how open banking could support retail account-to-account payments.

Before the end of the year, Bryan will be providing an update on the SWG's evidence to the JROC Co-Chairs, our own Chris Hemsley along with FCA Executive Director,

Sheldon Mills. We will be arranging a webinar in the coming months to discuss the SWG's evidence, the vision for open banking and the critical next steps. More details will be shared soon.

In the meantime, we've published a series of thought pieces about unlocking account-to-account retail payments on our website that you may find interesting.

In the first, I discuss **functional capability**. The second, by Lead Associate Jeroen de Marteau, discusses **ensuring an effective dispute process**. In the third, Technical Specialist Nicole Coates looks at **access and reliability**. And finally, Kate Fitzgerald, our Head of Policy, explores the considerations for a **sustainable pricing model**.