Payment Systems Regulator Panel

Annual Report 2025-26

Chair's foreword

It has been a busy and particularly interesting year for the Panel given the variety and volume of demanding matters with which the PSR is dealing. These are set out in the main body of the report below.

The past year has also been a transitional year for the Panel as well as for the PSR itself given the consolidation with the FCA which is progressing well and the National Payments Vision.

The membership of the Panel has evolved with the addition of three new members joining with effect from June 2025 thereby adding fresh perspectives and strengthening the Panel's collective expertise in a number of areas such as corporate and merchant payments as well as non-card payments.

In response to the wishes of the PSR board, the Panel has also evolved to enable direct access to the particular expertise offered by individual Panel members when appropriate in order to provide more specialised input in specific areas. This has resulted in the formation of the card-acquiring market review sub-group which met earlier in the year to provide more specialist input relating to card-acquiring. It is possible that other sub-groups will be formed in the future.

The Panel members look forward to their continued involvement in the areas set out in the report going forward into 2026/7.

Robert Caplehorn
Chair, Payment Systems Regulator Panel

Introduction

The PSR Panel is established by statute as an independent body to contribute to the effective development of the PSR's strategy, policy and regulatory activities. The Panel's core objective is to add value by providing independent advice and challenge informed by the perspectives and practical experience of payment service users and providers across the payments ecosystem.

Members represent a broad range of interests, including consumers, merchants, corporate users, and firms operating across cards, account to account payments, Open Banking and emerging technologies. The Panel provides a confidential forum for testing policy ideas, identifying risks and opportunities, and offering challenge and insight to the regulator.

During 2025–26, the Panel met formally as a group and via a more flexible engagement model, with a growing emphasis on targeted discussions and horizon scanning to help the PSR remain agile in a rapidly changing payments landscape.

Panel meetings with PSR teams continued to focus on issues with cross sector strategic impact. Following each meeting, the Chair submitted a written report to the PSR Board capturing the Panel's views, advice and areas of challenge. These reports ensured that Panel input was fed up to senior decision makers directly.

The Panel continued to engage with senior PSR and FCA leadership, providing an opportunity to reflect on strategic direction, consolidation progress and forward priorities. The PSR Interim Head of Policy is the Panel's Sponsor Director and works with the Panel to consider where it can add most value to the PSR's work.

Key themes and advice during the year

Consolidation of the PSR and regulatory alignment

The Panel were grateful for updates on the implications of consolidating PSR functions into the FCA and agreed with the approach. Members highlighted the need to:

- preserve the PSR's systemwide, outcomes focused approach to payments regulation;
- maintain strong expertise in payments policy and supervision; and
- manage the human and organisational impacts of consolidation carefully to protect regulatory capability.

The Panel also welcomed progress towards single governance arrangements for Open Banking as an example of more joined up regulation.

Evolving the Panel's operating model

In response to discussions with the PSR Board, the Panel considered a shift towards a more proactive and targeted engagement model. This approach was intended to ensure that Panel advice remained timely, practical and closely aligned with the PSR's evolving regulatory agenda.

Strategic priorities and the forward work programme

The Panel discussed the PSR's forward agenda and emphasised the importance of agility. Members encouraged regular review of priorities to ensure the regulator could respond effectively to emerging developments, while continuing to deliver on core commitments such as compliance monitoring and oversight of designated systems.

Fraud and consumer protection

Fraud remained a central concern throughout the year. The Panel noted positive progress in Authorised Push Payment (APP) fraud reimbursement outcomes, while stressing the need for continued industry collaboration, outcome monitoring and improved data sharing. Members highlighted the importance of keeping pace with increasingly sophisticated and AI-enabled fraud typologies.

Artificial Intelligence in payments

The Panel examined the growing role of AI across payments, including customer authentication, fraud prevention and new forms of agent driven commerce. Members warned that regulatory capacity risked lagging technological change

Open Banking and non card payments

Discussions on Open Banking focused on its role in enabling competitive non card payment options and its alignment with wider payments innovation under the National Payments Vision. Members stressed the importance of robust infrastructure, clear accountability and effective governance to support sustainable growth.

Stablecoins, digital identity and innovation

The Panel considered the implications of stablecoins, digital identity and other emerging innovations. Views differed on the appropriate timing and intensity of regulatory intervention, but there was consensus on the need for careful monitoring, international awareness and readiness to advise as markets mature.

Card schemes and processing fees

The Panel provided challenge and advice on remedies relating to scheme and processing fees, emphasising transparency, competitive constraints and the availability of meaningful financial data. Members encouraged ongoing scrutiny of scheme decisions and welcomed steps to strengthen supervisory engagement and reporting.

Looking Ahead

As consolidation progresses and payments markets continue to evolve, the Panel expects to focus on:

- maintaining effective payments regulation through institutional change;
- supporting delivery of the National Payments Vision;
- responding to technological change, including AI enabled payments and fraud;
- promoting competition and transparency across payment systems; and
- ensuring that innovation delivers clear benefits for users.

The Panel remains committed to working constructively with the PSR, FCA and other stakeholders to support a payments ecosystem that is competitive, trusted and resilient.

Appendix 1
Members of the PSR Panel between 1 April 2025 – 31 March 2026

Robert Caplehorn (Chair)	Independent Payments Expert and Non-Executive Director
Natasha De Teran	Members of Financial Services Consumer Panel, Bank of England/ HM Treasury CBDC Engagement Forum Member
Jeff Moody	Commercial Director, British Independent Retail Association
Jo Oxley	Director, Government Banking Service
David Canavan	Senior Director, UK and Ireland Commercial Development, Visa Europe
Christopher Ainsley	Head of Fraud Risk Management, Santander
Clare Pearson	Head of Technical Operations, Fnality
Stephen Wright	Head of Regulation and Standards, NatWest Group
Otto Benz	Payments Director, Nationwide Building Society
Neira Jones	Independent Payments Consultant
Ed Carter *(from 1 June 2025)*	COO, Griffin
Tom Burton *(from 1 June 2025)*	Director of External Affairs & Public Policy, GoCardless
Fiennes Davey *(from 1 June 2025)*	Group Head of Payments, Kingfisher PLC
Ciaran O'Malley *(until 28 August 2025)*	VP Financial Services and ecommerce/Country Manager, Trustly

Appendix 2
Payment Systems Regulator Panel Terms of Reference

1. The Payment Systems Regulator Panel ('the Panel') is established by the Payment Systems Regulator ('PSR') under the Financial Services (Banking Reform) Act 2013. The Panel represents the interests of participants in regulated payment systems and those who use, or are likely to use, services provided by regulated payment systems.

Scope

2. The Panel makes representations to the PSR on the extent to which its general policies and practices are consistent with its general duties, and how its payment systems objectives may best be achieved, as required under the Financial Services (Banking Reform) Act 2013. See Annex 1 for the general duties.

3. In considering the PSR's work, the Panel will focus on the PSR's objectives of promoting effective competition in the interest of service-users, promoting development and innovation in the interest of service-users, and ensuring that payment systems are operated and developed in the interest of all those who use payment systems. The Panel will also have regard to the regulatory principles as attached in Annex 2.

4. The Panel's views are independent of the PSR. It does not carry out responsibilities on behalf of the PSR, but provides input and advice on development of PSR activities.

The Panel's Duties

5. The Panel will:

   5.1. Meet regularly (usually between four and six times a year) and be available at other times to be consulted by the PSR on specific high-level issues.

   5.2. Identify key issues which the Panel thinks the PSR should be considering when the PSR presents proposals to the Panel for consideration.

   5.3. Be proactive in bringing to the attention of the PSR, new or additional issues to be considered or research to be carried out by the PSR to assist the PSR in fulfilling its objectives.

   5.4. Strictly maintain the confidentiality of information provided to the Panel when indicated by the PSR.

6. In fulfilling these duties, the Panel may:

   6.1. Request access to all information from the PSR which it reasonably requires to carry out its work. This will generally not include confidential information about specific regulated firms, individuals or markets.

6.2. Have access to and engage regularly with the PSR Chairman, Board, Managing Director and senior executives of the PSR.

Membership

7. The PSR Board appoints Panel members, with HM Treasury's approval being required for the appointment or dismissal of the Chair. Members will normally be appointed for a two or three year term, and will usually serve a maximum of two three-year terms.

8. The PSR will appoint to the Panel such persons representing participants in regulated payment systems and those who use, or are likely to use, services provided by regulated payment systems.

9. Members are appointed in an individual capacity on the basis of their experience and current role, and not as representatives of specific constituencies or organisations. They are expected to understand the general viewpoint of their sector and be able to contribute constructively in Panel discussions towards the development of the PSR's strategic thinking from that perspective. There is no express requirement on Panel members to consult with colleagues or related organisations on the issues discussed by the Panel, although they are free to do so (subject to confidentiality) if they wish to. Nor is the business of the Panel a substitute for formal public consultation processes by the Payment Systems Regulator with the sector or interests concerned. It may from time to time be appropriate for Panel members to discuss the general issues on Panel agendas on an informal basis, as a means of enhancing members' input to the Panel. Panel members will also be required to respect the requirements of confidentiality: to enable the Panel to function effectively and provide early input to PSR policy development and other decisions, Panel members will often not be able to share the details of discussions which take place with those outside the Panel and PSR. Any such confidentiality requirements will be clearly flagged by the Secretariat.

PSR and Financial Conduct Authority Duties

10. Under the Financial Services (Banking Reform) Act 2013, the PSR must consider representations made to it by the Panel, and must from time to time publish in such a manner as it thinks fit, responses to the representations.

11. The PSR will provide the Panel with early access to appropriate information in order to enable the Panel to fulfil its duties and will ensure secretariat support is provided to the Panel to enable it to operate effectively.

12. The PSR Board will consider any proposals from the Panel for additional funding for specific projects (including research) which the Panel considers necessary in order for it to fulfil its duties under these terms of reference.

Accountability

13. The Panel will publish an annual report on its work, which will be presented to the PSR Board.

Annex 1
The Financial Services (Banking Reform) Act 2013:

Section 49: Regulator's general duties in relation to payment systems.

1. In discharging its general functions relating to payment systems the Payment Systems Regulator must, so far as is reasonably possible, act in a way which advances one or more of its payment systems objectives.
2. The payment systems objectives of the Payment Systems Regulator are—
   (a) the competition objective,
   (b) the innovation objective, and
   (c) the service-user objective.
3. In discharging its general functions relating to payment systems the Payment Systems Regulator must have regard to
   (a) the importance of maintaining the stability of, and confidence in, the UK financial system
   (b) the importance of payment systems in relation to the performance of functions by the Bank of England in its capacity as a monetary authority, and
   (c) the regulatory principles in section 53 [see Annex 2].
4. The general functions of the Payment Systems Regulator relating to payment systems are—
   (a) its function of giving general directions under section 54 (considered as whole),
   (b) its functions in relation to the giving of general guidance under section 96 (considered as a whole), and
   (c) its function of determining the general policy and principles by reference to which it performs particular functions.

Annex 2
The Financial Services (Banking Reform) Act 2013:

Section 53: Regulatory principles

The regulatory principles referred to in section 49(3)(c) are as follows—

(a) the need to use the resources of the PSR in the most efficient and economic way;

(b) the principle that a burden or restriction which is imposed on a person, or on the carrying on of an activity, should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction;

(c) the desirability of sustainable growth in the economy of the United Kingdom in the medium or long term;

(d) the general principle that those who use services provided by payment systems should take responsibility for their decisions;

(e) the responsibilities of the senior management of persons subject to requirements imposed by or under this Act, including those affecting persons who use services provided by payment systems, in relation to compliance with those requirements;

(f) the desirability where appropriate of the PSR exercising its functions in a way that recognises differences in the nature of, and objectives of, businesses carried on by different persons subject to requirements imposed by or under this Act;

(g) the desirability in appropriate cases of the PSR publishing information relating to persons on whom requirements are imposed by or under this Act, or requiring such persons to publish information, as a means of contributing to the advancement by the PSR of its payment systems objectives;

(h) the principle that the PSR should exercise its functions as transparently as possible.

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