

PSR stakeholder reputation survey 2017

At the beginning of this year we commissioned BritainThinks, an independent market research company, to conduct a stakeholder reputation survey for the PSR. This is the second year we have conducted this survey to find out how you, our stakeholders, think we're doing.

The survey explored:

Perceptions of the payments industry: Overarching views of the industry, including access and transparency, and in-depth views of operators and banks.

Views of our performance and reputation: Overarching views of our reputation, the factors driving these perceptions, views of specific activities over the past year, and suggestions for future work.

Views of our communications and engagement to date: Analysis of the impact of our communications and activities, and stakeholders' preferred channels and modes of contact.

Survey summary by BritainThinks

This is the second year that BritainThinks has been commissioned by the PSR to conduct a stakeholder perceptions survey. This is a key piece of insight for the PSR as it continues to develop and build the organisation as a credible and competent regulator.

The breakdown and coverage of stakeholders interviewed as part of the qualitative and quantitative survey is consistent with last year's survey – specifically, we spoke to 100 people from a representative spread of stakeholder organisations, including operators, PSPs, end users, etc. A further 80 stakeholders took part in a detailed discussion that included success measures.

Last year the PSR were rated positively by stakeholders. However, many stakeholders also said they were inclined to 'wait and see' when asked about the PSR's performance.

Overall, the PSR has **retained this broadly positive reputation score from stakeholders** of almost 7/10. This is in spite of the relatively challenging context in which the PSR operates, and the diversity of the PSR's stakeholders. Those who responded to the survey acknowledged the context of a challenging pace of industry change and high expectations for the PSR.

'The PSR are beginning to push for the kinds of things that need to happen to create a dynamic atmosphere for payment in the UK. The direction is good.'

(Authorised payment/e-money institution)

While the PSR has retained a broadly positive score, there is an increasing divergence of views from different stakeholder groups.

'They set out with a very clear objective and they are achieving that objective. They are very inclusive, taking on the views of all stakeholders at every level. There is clear evidence of them doing what they say they will.'

(Indirect PSP)

'I think there's a perception that there is a lack of expertise and there is a lack of coherent strategy coming from the PSR.'

(Trade body)

Top ten findings

1. Stakeholders tend to feel **optimistic about the overall direction** of the UK payments industry. Like last year, stakeholders are particularly positive about its ability to meet the needs of end users and to innovate in their best interests.
2. **Barriers to access and competition, and a perceived lack of transparency in the industry remain concerns**, but there has been some positive movement in ratings on each of these areas over the past year.
3. The PSR's reputation is judged against high (and highly subjective) expectations. The PSR's vision for the industry has cut through to stakeholders, but the scale of its ambition means that **stakeholders are expecting to see 'big things' from the regulator**. And the **complexity of the industry** means that those expectations differ widely across stakeholder sub groups.
4. The PSR has maintained its **broadly positive reputation score overall**, but stakeholders' views of the regulator are becoming **increasingly polarised**.
5. Far fewer stakeholders report the 'wait and see' mentality seen last year, though there is still some **acknowledgement that the PSR is on a journey and yet to prove itself**.

Those who feel positive tend to feel that **the PSR is professional, setting out the right objectives for the industry, and making the industry more transparent and inclusive**.

'The PSR are trying to make a difference and helping people to get access to payment systems. The quality of their staff is second to none and they are always very helpful to me when I contact them.'

(Authorised payment/e-money institution)

6. Those who feel negative tend to express **concerns about experience and expertise**, want to see more detail on the **strategy**, and describe the regulator as sometimes **cautious**.

'The PSR lacks a sufficient understanding of all of the issues affecting the payment industry.'

(Operator)

7. Stakeholders continue to feel that the PSR's **top priority** should be ensuring that payments work in the best interests of **end users** (with 65% selecting this as the most important of the PSR's three statutory objectives).
8. This is also the objective which stakeholders are most likely to say that the PSR is currently achieving, although there has been a slight drop in perceptions that the PSR is effective here (at 46% compared to 53% last year).
9. Views of the mechanisms of the **PSR's communications and engagement are generally very positive** (73% of stakeholders feel they receive the right amount of communications, with 57% saying they are appropriate for them and their organisation, 56% interesting, 69% easy to understand and 68% transparent).

Recommendations

These findings point to some potential priorities as the PSR further establishes its identity and strategic approach:

- roadmapping and setting out the steps to achieving its objectives
- providing reassurance on understanding and expertise
- linking communications back to the bigger picture

Our response

What you've said and what we'll do

The stakeholder survey provides an annual insight into the views of our key stakeholders across the payments industry. It is important to us to listen to our stakeholders, both formally and informally throughout the year, and we will take your views on board. This survey also gives us an opportunity to reflect on the progress we've made in ensuring payment systems are effective, reliable and secure.

We're pleased to retain our positive overall reputation score; this shows that the work we've outlined in our annual report has had an impact, and hopefully that we have proven that as a regulator we do what we say we'll do. At the same time, we're aware of the divergence in opinion across different stakeholders. We might expect this during our second operational year as stakeholders respond to a busy year of policy publications and market activity, and fewer adopt the 'wait and see' mentality we saw last year. However, we do note the concerns of a small minority of stakeholders.

Most of you have told us that we already have a clear vision for the industry we regulate: payment systems ought to be accessible, reliable and secure, and provide value for money for all. However, **we can do more to explain what we're doing** and how it will help us achieve our vision – and to make sure this information is accessible and understandable for key stakeholders, and clearly demonstrates our role in industry change.

A significant majority of external stakeholders agree that we conduct ourselves professionally. In discussions you indicated this impression is based on direct interactions with us – either with individual members of staff or through processes such as consultations.

As a regulator, **it's important that we maintain this reputation for professionalism**. The feedback from the survey helps us cement and build on an internal environment and culture that already encourages professional conduct, where we aim to give our staff tools and guidance that can further develop their industry insight, engagement and professional communications.

Some stakeholders have said we have not been bold enough and questioned our in-house payments expertise. As an economic regulator, we draw on a wide variety of technical expertise, and we will continue to be open about how and why we make the policy decisions that we do. This means **we need to explain what we do – and don't do – and why**, in the pursuit of our vision.

Our **consultative and collaborative approach to communication** appears to be having a positive effect on the industry we regulate. It is therefore important to maintain this approach. We will use the insight from the survey as we further develop our identity and carry out the work we outlined in this year's annual plan. We will use your feedback to improve where we need to, and continue doing what you have said we do well. We value these insights, and will continue to work together to improve payment systems for all users and sections of the industry.