

Our strategy

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Chris Hemsley
Managing Director

Almost all of us use and rely on payment systems every single day. Being able to pay and be paid safely and easily is central to our economy and society.

Sitting behind those payments are a number of payment systems and it's the PSR's job to make sure they work well for everybody that uses them.

Over the last 10 years people have started to retire their cheque books and think about whether they need to take a purse or wallet with them. Today a smartphone is all some people need to make a payment. This works well for many, but not all. Those that use and rely on cash, for example. Or those that don't find it easy to use digital payments.

Our strategy is about protecting what is working, changing what isn't, and embracing new developments that will help bring in new businesses, new products and even new payments systems for everyone's benefit.

This Strategy also signals a change in our focus to improving competition between payment systems – not just between the banks and building societies that use the payment systems to move money from A to B.

This is important because the future of retail payments is becoming increasingly about digital debit payments, made using the card payment systems. But without sufficient competition there is a risk that these payments may not benefit or protect people and businesses. That's why a key part of our strategy is unlocking the potential of the existing interbank systems to provide credible alternatives to cards for retail payments.

For this to be effective, we need the technology and the rules for those systems to support this objective.

The governance and oversight of rules in our payment systems must help deliver the outcomes that we and society want to see. This can build on the positive outcomes over the past six years. We also need to make it harder for criminals to steal money using payment systems; and we need to help victims get their money back.

Inherently this Strategy has implications for the PSR, our workplan and the skills and resources we need. And it will leave the PSR in a different place to where we are today. In the last few years, the payments ecosystem has changed. As these things evolve further, so we will also need to adapt.

And as this happens, we will focus more on reforms to promote competition in and between payment systems and the markets that they support, because as the UK's economic regulator of payment systems, this is our core purpose.

This is an ambitious strategy. But it is also an exciting strategy. It's one that involves unlocking and supporting the potential of UK payments to solve problems facing society, support the UK economy and improve how we all live our daily lives.

Our strategic priorities



Access and choice for users

Ensure users have continued access to the payment services they rely upon and support effective choice of alternative payment options



Sufficient protections for users

Ensure users are sufficiently protected when using the UK's payment systems, now and in the future



Competition in payment systems

Promote competition in markets and protect users where that competition is not sufficient, including between payment systems within the UK and in the markets supported by them



Governance of interbank payment systems

Ensure the renewal and future governance of the UK's interbank payment systems supports innovation and competition in payments

Our strategy in action

Our desired outcomes

All users have access to payment services that meet their needs in terms of functions, quality, cost and other relevant factors

Users' interests are adequately protected when using payment systems so that they can use systems and services with confidence

Payment systems are designed and operated to enable effective competition in the provision of payment services

Payment systems are efficient and commercially sustainable

Our priorities

Ensure users have continued access to the payment services they rely upon and support effective choice of alternative payment options

Ensure users are sufficiently protected when using the UK's payment systems, now and in the future

Promote competition in markets and protect users where that competition is not sufficient, including between payment systems within the UK and in the markets supported by them

Ensure the renewal and future governance of the UK's interbank payment systems supports innovation and competition in payments

Actions to meet this priority

- make sure the arrangements are in place to support the development of new services that meet users' needs
- ensure that our approach to the regulation of any newly designated payment systems is robust and appropriate
- make sure we understand and take account of the perspective of vulnerable consumer groups towards new ways of paying and the choices available to them
- ensure that regulatory approaches are aligned between regulators, and the division of responsibilities is clear
- continue to protect access to cash for those that rely on it
- look to competition, given its potential to fulfil user needs
- continue to promote a range of access options

Actions to meet this priority

- develop governance of the interbank rules, with a view to giving Pay.UK a stronger role to lead the development of protections (and other conduct rules), coordinating its participants where necessary

Actions to meet this priority

- shift our focus to promoting competition between payment systems
- support and develop the interbank systems to provide greater competition
- consider the need for us to regulate in order to protect consumers and businesses if other measures are not producing the competition outcome we seek

Actions to meet this priority

- ensure that funding is adequate to enable Pay.UK to fulfil its objectives, and that funds are allocated in a way which supports and promotes innovation and competition in overlay services
- ensure requests for new APIs or the introduction of new functionality into the core infrastructure are assessed appropriately and resources assigned to their development
- support developments to Pay.UK's governance of the interbank rules so it has greater ability to enforce compliance with its rules and changes in those rules that improve outcomes
- support and promote coordination between payment system participants where we think it is needed but not happening