

Payment Systems Regulator

H M Treasury

Non-qualifying regulatory provision assurance statement: confirmed

The Regulatory Policy Committee (RPC) is content that, based on the summary information provided by the regulator, none of the measures or activities covered in the summary document should be considered as a qualifying regulatory provision for the purposes of the business impact target (BIT). This statement does not provide a detailed view of any specific activity in the regulator's summary document. Nor does it comment on any activities not covered in the summary. Some activities might, however, have been the subject of separate assessments of qualifying regulatory provisions.

Comments on the non-qualifying regulatory provision summary

The regulator has helpfully provided a classification of measures against each of the administrative exclusions to qualifying regulatory provisions announced by the Government on 20 June 2018. The regulator has clearly stated where there are no measures to report under the excluded category and given adequate details of pro-competition measures and casework to be able to assess that those measures are excluded. The NQRP summary could be improved by confirming that there was no gold plating of the measures under the seconded excluded category on EU regulations, and by adding a brief explanation as to why the regulator believes the measure listed as pro-competitive falls into this category.

Regulator: Payment Systems Regulator

Business Impact Target Reporting Period Covered: 9 June 2017 to 20 June 2018

Excluded Category*	Summary of measure(s), including any impact data where available**
Measures certified as being below de minimis (measures with an EANDCB below +/- £5 million)	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
EU Regulations, Decisions and Directives and other international obligations, including the implementation of the EU Withdrawal Bill and EU Withdrawal Agreement	PSR implemented its approach to the EU Second Payments Services Directive (PSD2). HM Treasury transposed PSD2 into UK legislation in the Payment Services Regulations 2017 (PSRs 2017). PSR has implemented its approach to the parts of the regulations that it is the competent authority for.
Measures certified as concerning EU Withdrawal Bill operability measures	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Pro-competition	<p>To promote effective competition in the markets for payment systems and services, PSR introduced measures to improve access to payment systems; competition in the provision of central infrastructure services for these systems; and the conditions for switching Direct Debit Facilities Management provider:</p> <ul style="list-style-type: none"> • Following the market review into the ownership and competitiveness of central payment systems infrastructure provision, PSR implemented two remedies requiring relevant payment system operators: (i) to undertake a competitive procurement process of future central infrastructure contracts and; (ii) to adopt a common international messaging standard for Bacs and Faster Payments to make it easier for new entrants to access payment systems. • PSR issued Specific direction 7 relating to Direct Debit Facilities Management: Switching Providers. The purpose of the direction is to ensure that Facilities Management service providers that wish to do so can use the Bacs 'bulk change process' to help clients who wish to switch to another provider.
Systemic Financial Risk	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Civil Emergencies	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Fines and Penalties	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Misuse of Drugs	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.

Excluded Category*	Summary of measure(s), including any impact data where available**
Measures certified as relating to the safety of tenants, residents and occupants in response to the Grenfell tragedy	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Casework	<p>PSR undertook reporting activity for the regulated payment systems and banks against the applicable General and Specific Directions as well as the Payment Account Regulations 2015.</p> <p>PSR investigated Cheque & Credit Clearing Company for a failure to comply with General Direction 6 and issued a public censure.</p> <p>PSR initiated an investigation into LINK's role in relation to the widespread free-to-use ATM network in UK.</p> <p>As part of PSR's work on monitoring the development of the New Payment System Operator (NPSO) including delivery of the New Payments Architecture (NPA), PSR set out its expectations for the NPSO's work in 2018 in an open letter.</p> <p>As lead competent authority for monitoring of the EU Interchange Fee Regulation (IFR) in UK, PSR has been proactive in monitoring compliance. This included requiring schemes, and a subset of issuers and acquirers, to provide information on their compliance with the caps and several of the business rules.</p> <p>In addition, PSR have received and handled applications under Financial Services (Banking Reform) Act 2013, complaints under PSRs 2017 and opened a Competition Act 1998 investigation.</p>
Education, communications and promotion	PSR undertook communications and stakeholder management activity as part of fulfilling its role, and in relation to particular projects, including holding stakeholder meetings, workshop and publishing information.
Activity related to policy development	<p>PSR undertook several consultations related to policy development. Including consulting on the development of a contingent reimbursement model to better protect people from authorised push payment (APP) scams and consulting on the work on reviewing the PSR Directions made in 2015.</p> <p>Additionally, PSR undertook policy scoping work in a number of areas, which have not imposed direct costs on business.</p>
Changes to management of regulator	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.

* For full, legal definitions of these exclusion categories, please see

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-06-20/HCWS776/>

** Complete the summary box as 'Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.' where this is appropriate.