

Quarterly update

Summer 2020



Chris Hemsley
Managing Director
Payment Systems Regulator

 Click on any **underlined link**
for more information

Welcome to the first of our new quarterly updates, which I hope you will find useful.

Over the past few months we've seen a seismic shift in not only the way we pay but also in the way we live. Adapting and innovating has become more important than ever.

The payments industry has reacted positively to the impact of COVID-19. Our core payment systems – both digital and cash – have managed through the challenges of lockdown and social distancing, maintaining the service that society relies upon.

But, there have also been positive new innovations to help everyone adjust to life in lockdown. Take as an example the introduction of companion cards. Account holders can now give someone they trust a debit card to make essential purchases on their behalf, safe in the knowledge that the money available is capped by the account holder.

While tackling the immediate impact that COVID-19 has presented, work at the PSR has continued at pace to make sure we deliver the objectives set out in our **Annual Plan**. Whether protecting access to cash in isolated communities or helping to prevent Authorised Push Payment (APP) scams, we remain dedicated to helping support the smooth functioning of the UK economy during one of its biggest ever challenges.

In this first update, Genevieve Marjoribanks, our Head of Policy, provides an update on implementation of Confirmation of Payee, we cover the work we have been doing with the Financial Conduct Authority (FCA) on access to cash and Louise Buckley, our Chief Operating Officer, introduces our strategy work.

In this update

- Confirmation of Payee
- Access to cash
- A new strategy for a changing world
- Elsewhere at the PSR
- Events calendar
- Introducing our senior leadership team

The PSR in action



Genevieve Marjoribanks
Head of Policy

"We remain dedicated to helping support the smooth functioning of the UK economy during one of its biggest ever challenges."

Confirmation of payee

As of 1 July there is widespread coverage of the new fraud-prevention tool, Confirmation of Payee (CoP). CoP gives people additional protection by checking the name of who they are paying against the sort code and account number they've entered. Customers who want to make a payment will now have much more certainty that their money is being sent to the right person.

This is a significant milestone in our work to reduce Authorised Push Payment (APP) scams and follows the Contingent Reimbursement Model (CRM) Code implemented in May 2019 - a product of our steering group of industry and consumer representatives. CoP is designed to make it harder for fraudsters to pretend to be someone else helping to reduce instances of APP scams.

We have also seen the first banks not included in the first roll-out of CoP, such as Monzo and Starling, start to introduce the full service to their customers. We want every single payment to be protected by CoP, which means we are encouraging all payment service providers, big and small, to implement it if the standards apply to their accounts.

We are now turning our attention to the impact of CoP on fraud prevention before assessing whether we need to take further action. Making sure that people are appropriately protected against fraud will continue to be a key focus for us.

Access to cash

The impact of COVID-19 has been far-reaching, including access to cash and its usage. While many have increased their use of digital payments cash remains an important way for people to pay for things. The PSR and FCA, with the support of data from industry (banks, building societies, Post Office, IADs and LINK), have created a single database of the UK's cash access points. Working with the FCA **our recent map** illustrates levels of coverage across the UK to cash access points.

During the pandemic we worked with the FCA to identify any areas in the UK that needed immediate support for cash access. The insight we gathered meant industry could coordinate several initiatives to support access to cash for affected consumers. We will continue to monitor the situation to ensure a smooth transition out of the lockdown.

Over the coming months we will continue to work with the FCA and industry to explore how it can provide access to cash in an appropriate and sustainable way to meet consumers' needs. We are keen to work further with a wide range of stakeholders from across industry, including Independent ATM Deployers and the Post Office, as well as continued engagement with consumer groups, trade bodies and charities. We will be in touch as those opportunities to engage are finalised.



A new strategy for a changing world

Louise Buckley
Chief Operating Officer and Head of Strategy

As the sector, technology, the external environment and consumer demands continue to evolve, many new issues are arising which could impact payment systems and their users for decades to come. The COVID-19 pandemic has also had a huge impact on the speed and type of change and on the future economic outlook.

That's why we are working towards a strategy for the future. Ultimately, we want to define clear outcomes that we want to see in the payments sector, giving a clear direction to the organisation and its purpose and a line of sight for all our stakeholders.

We want to hear your thoughts on what is most important for the future of payments

We're planning a range of engagement opportunities with all our stakeholders so we can listen to your views and to help us further identify and work towards key priorities to help make sure we get it right.



You can find more detail about [the strategy here](#), including an introductory video message from our senior team, and the content for Theme 1 of our strategy engagement.

Initial thinking from the PSR, with input from the PSR Panel and from some of our catch ups with stakeholders, has identified three themes. Each of these has a high-level target outcome that we think is relevant to current issues in payments.

These include:

1 Innovation and future payment methods

How can the PSR promote a choice of payment methods that suits the needs and preferences of people and businesses?

2 Competition

What role does the PSR play to ensure that competition is effective at all levels of the payments chain?

3 Choice/availability of payment methods

All people and businesses should be able to make the payments they need and want to make.

The PSR is not the only authority with an interest or remit in these areas and we will continue to work closely with our colleagues at the FCA, Bank of England and HM Treasury throughout the development of our Strategy. **The Treasury's Payments Landscape Review**, published on 28 July, which is also looking at the future of the payments industry, will help us as we form our views.

The next three months will see us publish questions on each theme, along with a series of related content pieces to stimulate thinking and debate. Please get involved – your views matter and input from a broad spectrum of perspectives will help us to make sure we get the balance right and focus where we can really have an impact.

Elsewhere at the PSR...



Understanding challenges across the UK

We're always keen to hear from local communities, businesses and organisations about their payments experiences. For example, last month our Chair, Charles Randell, and Head of Policy, Genevieve Marjoribanks, met with representatives of Age UK in Cornwall and the South West as part of our first 'virtual' regional visit. This prompted wider discussion about innovation – how we manage any transition to new payment methods and more widely to make sure people aren't left behind.

Events in 2020



Click on any underlined link for more information

May	June	July	September	October
19 May Head of Policy spoke at Westminster eForum Policy Conference: Digital Payments, London	3 June Head of Policy spoke at the Payment Systems Regulation and Innovation Summit, London 29 June Virtual discussion with Age UK Cornwall and Dorset	19 July Our Payment Specialist spoke at PayExpo Digital 29 July PSR Strategy launch	11 September Managing Director speaking at RPI conference, Oxford	6 October Head of Legal speaking at Competition Law Challenges in the Financial Services Sector conference 6-7 October Keynote speech at PayExpo, London

Introducing our senior 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, he became interim co-Managing Director, before being permanently appointed as Managing Director in September 2019.



Genevieve Marjoribanks – Head of Policy

Genevieve is responsible for leading the development of regulatory policy. She started in January 2020, and has been working with the PSR's various stakeholders to develop policies that will effectively deliver the PSR's objectives.



Louise Buckley – Chief Operating Officer and Head of Strategy

Louise has worked for the PSR since January 2015, and leads the people, business management, risk and communications aspects of the organisation. Louise is also responsible for the PSR's strategy.



Carole Begent – General Counsel and Head of Regulatory and Competition Enforcement

Carole joined in April 2015. She has extensive knowledge and expertise in competition, regulatory law, public law in advisory, policy development and litigation contexts.

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