

Annual plan and budget 2023/24 factsheet



Our annual plan and budget sets out our key aims, activities and expected costs for the year 2023/24.

We publish this to give a clear overview of what we are doing, why and how – and how it aligns with our Strategy.

Payments are the most widely used financial service in the UK – from people using card or cash to pay for groceries or transport, to making account-to-account payments to donate to charity or settle their taxes.

We regulate billions of payments made each year and have the critical role of ensuring the systems that underpin them work well for everyone. Now, two years into our five-year Strategy, we're making substantial progress.

Our Strategy established a number of priority areas where we'll focus our work to help achieve the outcomes we want to see in payments.

- **Access and choice:** Ensure users can use the payment services they rely on and have effective payment options.
- **Protection:** Ensure people and businesses are sufficiently protected when using the UK's payment systems.
- **Competition:** Promote competition between systems and in payment services
- **Unlocking account-to-account payments:** Act to ensure the interbank systems provide infrastructure, rules and incentives that foster innovation and competition.

Evolving our approach

By making sure our work programme aligns with our strategic priorities and outcomes we can make sure we use our resources where we can have the most positive impact.

Since we started work in 2015 we've been building our organisation and developing as a regulator. We're now committed to a number of important projects that have the potential to transform how payments work in the UK. There's also an increasing role for us to lead the way on rapidly evolving issues like the use of digital payments, and there will always be new developments to respond to.

That's why in 2023/24 we will evolve our approach to shape the future of payments so we can be quick to respond to, and influence, emerging trends in payments. We'll boost our effectiveness by broadening engagement with our stakeholders and building a new team with a focus on reducing firms' non-compliance with the rules we enforce.



Key projects in 2023/24

Tackling fraud – Authorised Push Payment (APP) scams and Confirmation of Payee (CoP)

We'll publish data showing PSPs' performance on APP scams and work with UK Finance and Pay.UK to improve scam detection. We'll implement new rules that will lead to greater reimbursement for APP scam victims and work with other authorities on other measures to prevent fraud in the wider payments ecosystem. On CoP we'll monitor and enforce firms' compliance with our rules and take action where necessary.

Unlocking the potential of open banking and account-to-account payments

We'll publish plans showing how we'll reach our goals in the Joint Regulatory Oversight Committee (JROC) roadmap and continue to work with the JROC to clarify the future regulation of open banking. We'll oversee the creation of a new entity to further develop open banking. We'll engage with people and businesses to discover what changes would help them use account-to-account retail payments, and work with industry providers and others to ensure account-to-account payments develop as quickly as possible.

Shaping the New Payments Architecture (NPA)

We'll review Pay.UK's proposed NPA design, funding model, business case and infrastructure contract, and monitor Pay.UK's development of its strategy on the future of Bacs. We'll engage with Pay.UK and its chosen central infrastructure services provider on how they intend to comply with our regulatory framework.

Card fees

We'll continue to progress our two market reviews, analysing information from scheme operators, acquirers, issuers and merchants - publishing working papers on scheme and processing fees and invite views from stakeholders. We'll publish our interim reports, and our final report on cross-border interchange fees, assessing the state of the market and proposing remedies where relevant.

Future focus

With change being a constant feature of payment systems, this year we'll do work to shape the future of payments – to the benefit of people and businesses across the UK. Through data and intelligence gathering, we will closely monitor issues that might affect our Strategy, so we can be quick to respond to, and influence, emerging trends in payments.

A new division

We will create a new division, Supervision and Compliance Monitoring. This ensures that operators and firms are complying with their statutory and regulatory requirements, such as by making sure that reforms are properly implemented, such as anti-fraud measure Confirmation of Payee. This new division forms part of a new organisational structure.

ATM network regulation and digital payments

It's important that everybody has ways of making payments that meet their needs. We'll continue working with the FCA, the lead regulator for access to cash, and review how well LINK is meeting our requirement to maintain the broad geographic spread of free-to-use ATMs in the UK. We'll also continue work that will support the take-up of digital payments.

Digital currencies and cryptoassets

We'll develop our approach to regulating the Sterling Finality Payment System. We'll also continue to monitor market developments in domestic and international cryptoassets markets and contribute to taskforce discussions and wider developments around cryptoassets, stablecoins and a potential digital pound.



Read our annual plan and budget at the PSR website.