Payment Systems Regulator

Consultation paper

Specific Direction 17 (Confirmation of Payee) - Removing the expiry date and expanding the scope of directed firms

July 2026

CP26/2

We welcome your views on this consultation. If you would like to provide comments, please send these to us by **5pm on 20 August 2026**.

You can email your comments to **APPscams@psr.org.uk** or write to us at:

APP scams team
Payment Systems Regulator
12 Endeavour Square
London E20 1JN

We will consider your comments when preparing our response to this consultation.

We will make all non-confidential responses to this consultation available for public inspection.

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You can download this consultation paper from our website:
www.psr.org.uk/publications/consultations/CP262-extending-specific-direction-17

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Contents

1 Executive summary

1.1 We are consulting on varying Specific Direction 17 (Expanding Confirmation of Payee) (SD17), so that it continues to protect people making payments across Faster Payments and CHAPS. We propose to remove its fixed expiry date of 1 November 2026, so that the direction continues in force.

1.2 We are also seeking views on whether it would be appropriate and proportionate to expand the scope of SD17 to place all payment service providers (PSPs) currently offering Confirmation of Payee (CoP) on equal regulatory footing, including those that offer it on a voluntary basis.

1.3 CoP was introduced to stop misdirected payments, by checking whether the name of a payee's account matches the name and account details provided by the payer. There was also an expectation that it would reduce the number of authorised push payment (APP) scams. Transactions where the expected recipient name doesn't match the account are 25 times more likely to be fraudulent[1].

1.4 SD17 required directed PSPs to have a system that could both send and respond to CoP requests. Since then, we have seen excellent uptake:

- Over 320 PSPs now offer CoP checks in the UK.
- Over 99% of PSPs initiating Faster Payment transactions in the UK now offer CoP checks.
- Over 2 million CoP checks are completed every day.

1.5 More broadly, CoP has had a demonstrable impact in reducing certain types of misdirected payments. Pay.UK has noted that for Faster Payments, since the launch of CoP, there has been:

- a 59% reduction in claims for payments to the wrong account
- a 20-40% reduction in losses to end users for some types of fraud

1.6 We believe that CoP continues to support its objectives of tackling misdirected payments and certain types of APP fraud, and that continued broad coverage is important to achieving those objectives.

1.7 SD17 expires on 1 November 2026 after which time there would be no regulatory requirement for PSPs to provide CoP. CoP has achieved near-universal adoption, but without an ongoing obligation there is a risk that participation could drop off – particularly as any new PSPs who enter the market after 1 November would not be required to provide the service meaning that not all PSPs would be on an equal footing. CoP operates as a network service, requiring both sending and receiving PSPs to participate to deliver its intended protections. Therefore, we consider it is appropriate to keep the regulatory framework.

1 Form3, The PSR Mandate: Enhancing Payment Security in the UK with Confirmation of Payee (September 2023).

1.8 These objectives also align with our strategic priority of ensuring users are sufficiently protected when using the UK's payment systems. By extension, this helps to maintain people's confidence in account-to-account payments – which supports initiatives to provide consumers with a greater choice of payment methods, including the development of open banking. If we remove SD17's expiry date, we will continue to monitor the effectiveness and proportionality of the direction and consider whether we need to make changes in the future. We welcome views on whether we should review it after a specific time (for example, after 5 years), or after a particular event.

1.9 We welcome views on our proposals. Please provide comments by **20 August 2026**.

2 Specific direction proposals

To maintain the benefits of CoP, we propose to remove the expiry date so that it remains in force beyond 1 November 2026. This is intended to preserve broad and consistent participation in CoP and support the continued effectiveness of the service.

In addition, we are seeking views on expanding its scope so that it applies to all PSPs that currently offer CoP (including those that offer it on a voluntary basis).

Background

2.1 CoP is a name-checking service for payments over Faster Payments or CHAPS. Before they make a payment, service users can verify that the payee's account details (holder's name, account number and sort code) they have inputted match the details held by the PSP, giving them added assurance that the funds are heading to the right account.

2.2 We required a specific set of PSPs to provide CoP in 2019 with Specific Direction 10[2] (SD10). We updated the requirement in February 2022 with SD11[3], which chiefly switched the technical environments for CoP. We expanded it in October 2022 with SD17, which directed all other qualifying PSPs to provide CoP by the end of October 2024.

2.3 SD10 and SD11 have been revoked and expired respectively. SD17 directed Group 1 PSPs to deliver a CoP system by 31 October 2023 and required the remainder of in-scope firms (Group 2) to implement a system by 31 October 2024. The obligation on Group 2 PSPs means that all new entrants who fit the definition of a Group 2 PSP must offer CoP. Under its current terms, however, SD17 will expire on 1 November 2026. Following expiry, PSPs would no longer be subject to a regulatory obligation to provide CoP.

Specific Direction 17's impact

2.4 In November 2025, we published a compliance report on SD17,[4] which found that CoP coverage had become near universal and was delivering benefits for users. We therefore consider that maintaining broad participation across PSPs remains important for preserving those benefits and supporting confidence in account-to-account payments.

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2 *Specific Direction 10: Requiring the introduction of Confirmation of Payee* (August 2019): https://www.psr.org.uk/media/gp2juzmq/psr-specific-direction-10-confirmation-of-payee-february-2020.pdf

3 *Specific Direction 11: Closure of initial technical environment for Confirmation of Payee* (February 2022): https://www.psr.org.uk/media/reefc5go/psr-sd11-consolidated_may-2022.pdf

4 *Confirmation of Payee: Compliance report on Specific Direction 17* (November 2025), https://www.psr.org.uk/publications/access-and-governance-reports/confirmation-of-payee-compliance-report-on-specific-direction-17

Proposals

2.5 As SD17 is due to expire on 1 November 2026, we are consulting on removing the fixed expiry date so that the direction continues in force beyond 1 November 2026

2.6 This proposal would preserve broad and consistent PSP participation in CoP, so that its benefits will continue for users.

2.7 We are also seeking views on expanding the scope of SD17, so it applies to all PSPs that currently offer CoP, including those that have adopted the service voluntarily.

2.8 We have provided an Annex reflecting how this could be achieved by way of an amending direction, showing the drafting options, to assist with stakeholder consideration of the issues.

2.9 Together, this would be intended to preserve broad and consistent PSP participation in CoP, so that its benefits will continue for users.

Removing the expiry date

2.10 We propose to remove the current expiry date of 1 November 2026 so that SD17 continues in force until we vary or revoke it. This would provide regulatory continuity and ensure that PSPs currently subject to SD17 still have an obligation to provide CoP.

2.11 We consider that the regulatory obligation should continue to make sure CoP continues to provide the benefits it does now. Without an obligation, there is a risk that future market entrants may choose not to provide CoP, or that existing participants may choose to stop offering it. Over time, this could weaken the overall coverage and make CoP less effective.

2.12 This proposal preserves the current level of protection and market coverage, rather than introducing new obligations. We therefore consider it to be a proportionate approach.

2.13 While we believe that CoP currently delivers consistent positive outcomes, we recognise that the payments and fraud landscape will continue to evolve. If we remove SD17's expiry date, we will continue to monitor the effectiveness and proportionality of the direction and consider whether we need to make changes in the future. We welcome views on whether we should review it after a specific time (for example, after 5 years), or after a particular event.

2.14 If the expiry date is removed, we intend to keep SD17 under review and are seeking views on appropriate review triggers. While we consider that CoP continues to deliver positive outcomes for users, we recognise that the wider payments landscape is likely to evolve over the coming years.

2.15 In particular, the Payments Vision Delivery Committee (PVDC) and the Retail Payments Infrastructure Board (RPIB) are currently developing proposals for the UK's future retail payments infrastructure, including how consumer protection, security and fraud prevention can be supported within that framework. We therefore propose to keep SD17 under review and, if the expiry date is removed, to conduct a formal review following the conclusion of these initiatives and any resulting material changes to retail payments infrastructure, and in any event no later than five years after the direction is varied. This would allow us to assess whether SD17 remains effective, proportionate and aligned with the evolving payments ecosystem.

Question 1: Do you agree with our proposal to extend the duration of SD17 by removing the expiry date? If not, why and what alternative would you propose?

Question 2: If we remove SD17's expiry date, should we commit to reviewing it in future? If so, when should a review take place be and what event, or other factors should trigger it?

Expanding the scope

2.16 We are also consulting on varying SD17 so that it applies to all PSPs that are not currently required by SD17 to offer CoP but do so voluntarily. The effect of this would be to expand SD17's current scope. We would retain the exemption that excludes PSPs that do not carry out relevant business.

2.17 CoP operates as a network service and depends on broad participation across PSPs. We therefore currently consider it beneficial to bring all current providers within the scope of SD17.

2.18 Removing SD17's expiry date would ensure that PSPs already in scope still have a regulatory obligation. However, not all PSPs offering CoP would have equivalent obligations in future. In particular, some PSPs that currently provide CoP voluntarily fall outside the regulatory framework, typically because they adopted CoP prior to SD17.

2.19 We are therefore considering bringing all current CoP providers within the scope of SD17. This would place all providers on a consistent regulatory footing, regardless of whether they were originally directed to provide CoP or chose to participate voluntarily. Additionally, it would keep all participants engaged with one system, making it easier to drive improvements within the system.

2.20 Importantly, we do not intend to require existing CoP providers to change how they operate the service, nor are we proposing any changes to the way Pay.UK operates the system. This includes any current exemptions. SD17 does not contain any ongoing reporting requirements, bedsides ad hoc requests by the PSR and that will remain the case.

2.21 As the PSPs that would be brought within scope already provide CoP, subject to consultation responses on this issue, we do not expect the proposal to create material additional costs for them to implement or operate the service. The principal benefit of the proposal is preserving the breadth of CoP coverage, supporting CoP's ability to reduce misdirected payments and, as a result, certain types of APP fraud.

Question 3: Do you agree with expanding the scope of SD17 so that it applies to all PSPs that currently offer CoP? If not, why not?

Question 4: Do you have any views on the implementation of such a policy in the indicative legal instrument. Looking at the Group 1, Group 2 and Group 3 PSP definitions in the indicative draft direction SD17 (see the draft direction Annex), are the differences between these groups clear? Is it clear whether a PSP falls within the scope of the SD and, if so, which PSP would fall within which definition? Do you have any views on preserving the historical references to Group 1 and Group 2, and the creation of a new Group 3, rather than potentially redefining the category of directed participant?

Question 5: Do you think there should be any transitional arrangements to manage any expansion of the scope of SD17? If so, what do you propose and why?

Question 6: If we do expand the scope of SD17, we may consider doing so by general direction rather than by amending SD17, what are your views on using our general direction making powers instead of our specific direction making powers to require PSPs to provide CoP?

Cost and benefit considerations

2.22 We don't expect the proposed variations to SD17 to have a material cost impact on PSPs that already provide CoP, and exemptions for PSPs that do not carry out relevant business would be maintained. Compared to the counterfactual scenario in which we would make no variations and let SD17 expire, there could be a cost impact on new PSPs that gain authorisation over the coming years. Some of these firms might not have provided CoP in the counterfactual scenario but would have to do so under our proposals if they carry out relevant business within FPS and/or CHAPS. We consider this impact would be very marginal. Firstly, only a very small number of PSPs carrying out relevant business in FPS and/or CHAPS are authorised each year. And secondly, to compete with other PSPs such PSPs would likely want to provide CoP as a core service valued by customers even if not directed to do so.

2.23 While we do assume that PSPs would likely continue to provide CoP even in the counterfactual scenario, we consider that CoP's effectiveness depends on broad and consistent participation across the payments ecosystem. Bringing all current CoP providers within scope would place them on a consistent regulatory footing, preserve current market coverage and reduce the risk that provision becomes fragmented over time. Our proposal would reduce the residual risk of such fragmentation occurring.

Question 7: What do you consider would be the costs of bringing voluntary providers within scope of SD17 in terms of financial costs, operational impacts, implementation challenges or other costs?

Question 8: Do you agree with our views on the benefits of expanding the scope of SD17? Are there other benefits of bringing voluntary providers within the scope of SD17? If so, what are they?

Please provide any other comments on our proposals in addition to your responses to the specific questions above.

Annex 1
Draft directions

Specific Direction 17 on expanding Confirmation of Payee – draft with option including Group 3

October 2022 (varied on xx 2026)

Specific Direction 17: on expanding Confirmation of Payee

1 Recitals

Whereas:

1.1 Confirmation of Payee (CoP) is a valuable tool in reducing certain types of authorised push payment (APP) scams and accidentally misdirected payments. It checks the name of the payee's account against the other details given by the payer.

1.2 Specific Direction 10 required certain payment service providers (PSPs) from the six largest banking groups to send and respond to CoP requests. Since then, a number of other PSPs have voluntarily introduced CoP.

1.3 Specific Direction 11 imposed requirements intended to extend the benefits of CoP to more accounts. It required:

- the closure of the initial technical environment used to process CoP requests (Phase 1)
- PSPs to process CoP requests in the newer technical environment (Phase 2)

Phase 2 facilitates wider availability of CoP requests. Specific Direction 11 also revoked Specific Direction 10.

1.4 The PSR's objective is to see more PSPs adopt CoP, so that a greater number of CHAPS and Faster Payments users benefit from it.

1.5 The PSR has therefore decided to require the directed PSPs to put in place and use a system to provide CoP.

1.6 [….]

1.6.A In order to ensure the ongoing provision of CoP by all PSPs who conduct relevant business, the PSR varied this direction by means of Specific Direction 17a on [xx 2026] to impose its requirements on Group 3 PSPs (see the definition in paragraph 9.9). The requirements of this direction therefore apply to Group 1, Group 2 and Group 3 PSPs.

Group 1 PSPs must have and use the system after 31 October 2023, Group 2 PSPs after 31 October 2024 and Group 3 PSPs after 31 December 2026.

1.7 The PSR may decide to exempt a directed PSP from an obligation under this direction, or change the date for compliance, to take relevant circumstances into account.

1.8 [.......]

1.8.A Having considered what is appropriate to secure the ongoing availability of CoP, the PSR considers that the direction should no longer cease to be in force on 1 November 2026 and instead [should continue in force and be subject to review within five years of the date that the amendments in SD17a came into force / [the expiry should be extended to [ ]]and be subject to review within five years of the date that the amendments in SD17a came into force] and its application should include Group 3 PSPs.

2 Powers exercised and purpose

2.1 Faster Payments and CHAPS are designated by the Treasury under section 43 of the Financial Services (Banking Reform) Act 2013 (FSBRA) for the purposes of Part 5 of FSBRA.

2.2 The PSR makes this direction in accordance with section 54 (Regulatory and competition functions – directions) of FSBRA. In accordance with section 54(3)(c), this direction applies in relation to specified persons (Group 1 PSPs) and persons of a specified description (Group 2 and Group 3 PSPs).

2.3 [...].

2.3.A The purpose of this direction is to ensure that all PSPs who conduct relevant business (see paragraph [9.8]) provide, and must keep providing on an ongoing basis, a CoP service to protect customers when funds are being sent over Faster Payments and CHAPS.

Direction

NOW the PSR gives the following specific direction to Group 1, Group 2 and Group 3 PSPs.

3 Requirement to implement Confirmation of Payee

3.1 After the applicable date, a directed PSP must have and use a system to:

- send CoP requests for its customers
- respond to CoP requests made to it

3.2 The system must send, and respond to, CoP requests in compliance with the CoP rules and standards.

3.3 In respect of sending requests, the system must, as a minimum, send CoP requests in the circumstances described in paragraphs 3.4 and 3.5.

3.4 The first circumstance is when a customer holding an account with a directed PSP provides to the PSP, by an appropriate method, the necessary information about a new payee.

3.5 The second circumstance is when a customer provides to a directed PSP, by an appropriate method, an amendment to the unique identifiers of an established payee.

3.6 Once a directed PSP has put a system in place, it must notify the PSR in writing within 28 days (this does not apply to a Group 3 PSP unless it does not have a CoP system in regular operation on the day Specific Direction 17a comes into force).

3.7 If a directed PSP considers that it is unlikely to be able to put the system in place in time to meet its obligations under paragraphs 3.1 to 3.5, it must notify the PSR of that in writing. The notification must include the reason for its view and the steps it is taking to meet its obligations. It must provide this notification within 28 days of coming to that view.

3.8 The applicable date mentioned in paragraph 3.1 is:

- for Group 1 PSPs, 31 October 2023
- for Group 2 PSPs, 31 October 2024
- for Group 3 PSPs, 31 December 2026

3.9 For the purpose of complying with this section, a directed PSP may enter into arrangements with another person for the system to be provided on its behalf. (But doing so in no way removes the duty on the part of the directed PSP to comply with the obligations that are imposed on it under this direction, including under this section).

4 Application of Section 3

4.1 The system required under Section 3 need only provide for CoP requests to be made, or responded to, if both of the following are UK accounts:

- The payer's account, which the funds are to be sent from (the sending account).
- The payee's account, as identified by the unique identifiers given by the customer (the receiving account).

4.2 This paragraph applies where the applicable date in relation to a system required under Section 3 is 31 October 2023. Despite that, it is only after 31 October 2024 that the system must provide for sending and responding to a CoP request in respect of a transaction where funds are being sent to a receiving account which is identified by Secondary Reference Data.

4.3 The system required under Section 3 does not need to provide for the sending of a CoP request in respect of a transaction from an account where that account can only be used to send funds to one other account (a nominated account), and that nominated account is in the payer's name (or the payer is one of the names on that account).

Exempt transactions

4.4 The system required under Section 3 does not need to provide for sending a CoP request, or responding to a CoP request, for an exempt transaction.

4.5 For so long as a directed PSP only conducts exempt transactions it does not need to have a system which complies with Section 3.

4.6 A directed PSP must notify the PSR in writing if it considers that it falls under paragraph 4.5. It must do so within 28 days of the first day on which paragraph 4.5 applies to it.

4.7 A directed PSP must notify the PSR in writing within 28 days of paragraph 4.5 ceasing to apply to it.

5 Exemptions and changes to deadlines

5.1 If it considers it necessary or appropriate, the PSR may:

- exempt a directed PSP from an obligation imposed by this direction
- impose a different applicable date (see paragraph 3.8) in respect of all or any aspects of the system

5.2 In doing so, the PSR may impose conditions that it considers appropriate in light of its decision. For example, it might impose a different revocation date in respect of a PSP.

5.3 The PSR may publish any decision it takes under paragraph 5.1. The PSR may also publish any applications PSPs make to it.

5.4 The PSR will have regard to its obligations in respect of confidential information in deciding whether to omit or redact information when it publishes an application or decision.

5.5 If the PSR exempts a directed PSP or changes a date under paragraph 5.1, directed PSPs must comply with this direction subject to the exemption or different date, and subject to any conditions imposed.

6 Monitoring and Review

6.1 The PSR may, in writing, require a directed PSP to provide it with information about how the PSP is complying, or proposes to comply, with this direction. The PSP must provide the information by the date given by the PSR.

6.2 If a PSP is a successor PSP, or begins, or ceases, to be a PSP meeting the definition of a Group 2 PSP after this specific direction comes into force, or begins or ceases to be a PSP meeting the definition of a Group 3 PSP after the amendments made by Specific Direction 17a come into force, it must inform the PSR in writing within 28 days.

6.3 The PSR will review the operation and effectiveness of this specific direction before [insert date five years from the date the amendments in SD17a come into force].

7 Commencement, revocation and application

7.1 This specific direction comes into force on [ ] 2026 and amends SD17 which came into force on 24 October 2022.

7.2 […].

7.3 A PSP that is a successor PSP is a directed PSP on the same basis as the PSP it has succeeded (the original PSP) in respect of the accounts it provides as successor. If the original PSP is a Group 1 PSP or continues to satisfy the definition of Group 2 or Group 3 PSP, it remains a directed PSP despite the successor PSP also being a directed PSP.

7.4 In respect of being directed as a Group 2 or Group 3 PSP, a PSP is a directed PSP for so long as it meets the definition of Group 2 or Group 3 PSP (but a PSP ceasing to be a directed PSP because it no longer meets the definition continues to be directed for the purposes of paragraph 6.2). This applies whether or not a PSP meets the definition on the date this direction comes into force 'or meets the Group 3 PSP definition after Specific Direction 17a comes into force, and whether or not it had previously been a directed PSP but had then ceased to be. If a PSP meets the Group 2 definition after this direction comes into force, the PSP is a directed PSP from the day after it meets that definition.

7.5 For the purposes of a PSP satisfying the definition of Group 2 PSP after the date this direction comes into force, the reference in that definition to 'does not have a CoP system in regular operation on the date this direction comes into force' is to be read as 'on the date it satisfies all of the other provisions of this definition, does not have a CoP system in place that complies with paragraphs 3.1 to 3.5.'

8 Citation

8.1 This specific direction may be cited as Specific Direction 17 (Expanding Confirmation of Payee) ([DATE] 2026).

9 Definitions and Interpretation

9.1 The headings and titles used in this specific direction are for convenience and have no legal effect.

9.2 The Interpretation Act 1978 applies to this specific direction as if it were an Act of Parliament, except where words and expressions are expressly defined.

9.3 References to any statute or statutory provisions must be construed as references to that statute or statutory provision as amended, re-enacted or modified, whether by statute or otherwise.

9.4 A reference to a customer providing information or an amendment to a directed PSP includes someone doing it on the customer's behalf (where permitted under the appropriate method).

9.5 A transaction consists of a 'bulk payment' when the payer is proposing to use it to make payments to more than one account.

9.6 An 'unattended payment routing' is where a PSP gives a customer technical access to send payments through Faster Payments or CHAPS, and as a result the PSP does not carry out the actions it would normally do as a sending PSP.

9.7 A PSP has a CoP system in regular operation on the date this direction comes into force[1] if:

- it has a CoP system that would comply with paragraphs 3.1 to 3.5
- it has used the system for at least the preceding eight weeks, in a way that complies with paragraphs 3.1 to 3.5
- it is reasonable to conclude that it intends to use the system on an ongoing basis

9.8 A PSP conducts relevant business[2] if:

- it provides UK accounts and
- not all of its transactions are exempt transactions[3]

9.9 In this specific direction:

- **Applicable date** has the meaning given in paragraph 3.8.
- **Appropriate method** means a method that a directed PSP's customers use to set up a new payee on their account, where they may make payments using Faster Payments or CHAPS.
- **CHAPS** means the regulated payment system known as CHAPS designated by order dated 19 March 2015.
- **CoP request** means a request a PSP sends when a payer enters account details for a payee, to check the name they enter against the name on the account that the other unique identifiers refer to.
- **CoP rules and standards** means the rules and standards for CoP in the rule book developed by Pay.UK:
  - o in respect of responding, as they stand at the time the request is received
  - o in respect of sending, at the time the PSP receives the necessary information (or amended unique identifiers) from the customer
- **Directed PSP** means every PSP subject to this direction.
- **Established payee** means a payee that the customer has already provided the necessary information for, which the directed PSP still holds.

1 See the definition of 'Group 2 PSP and "Group 3 PSP' at paragraph 9.9.
2 See the definition of 'Group 2 PSP and "Group 3 PSP' at paragraph 9.9.
3 See the definiton of 'Exempt transaction' at paragraph 9.9.

- **Exempt transaction** means a transaction which is:
  - a repayment (whether whole or partial) associated with a lending product where the account the funds are sent to is in the payer's name (or the payer is one of the names on that account)
  - a payment from an account which has been established to repay a lending product, and has no other purpose
  - a payment to or from a suspense account
  - a bulk payment
  - being sent by way of an unattended payment routing
  - a PSP sending funds on its own behalf
  - a CHAPS 'MT202 general financial institution transfer' (within the meaning of the CHAPS technical requirements published by the Bank of England[4])
  - a transfer of funds from or to an account of a financial market infrastructure (within the meaning of the 'Principles for financial market infrastructures' published by the Bank for International Settlement and the International Organization of Securities Commissions[5]) (central counterparties etc.)
  - in connection with the provision of merchant acquiring services
  - in connection with the provision of payment processing services to other PSPs
  - a transaction where the necessary information (or amended unique identifiers) is received by the customer's PSP by post, email or fax, or is contained in instructions that are hand delivered to a branch (or other office) of the PSP but which are not processed with the customer present
- **Faster Payments** means the regulated payment system known as the Faster Payments Scheme designated by order dated 19 March 2015.
- **FSBRA** means the Financial Services (Banking Reform) Act 2013.
- **Group 1 PSP** means a PSP which is listed in the Schedule.
- **Group 2 PSP** means a PSP which:
  - is a participant[6] in Faster Payments or CHAPS
  - is not a Group 1 PSP

4 See: www.bankofengland.co.uk/-/media/boe/files/payments/chaps/chaps-technical-requirements

5 See: https://www.bis.org/cpmi/publ/d101a.pdf

6 This covers PSPs which have indirect access as well as those with direct access (see FSBRA, in particular the definitions of 'participant' and 'payment service provider' in section 42).

  - conducts relevant business
  - does not have a CoP system in regular operation on the date this direction comes into force, and
  - is a building society, or has a unique sort code listed on the Extended Industry Sort Code Database (EISCD)

- **Group 3 PSP** means a PSP which:
  - is a participant[7] in Faster Payments or CHAPS
  - is not a group 1 or group 2 PSP
  - conducts relevant business; and
  - had a CoP system in regular operation on the date this direction came into force (24 October 2022).

- **Lending product** means a lending product provided in the course of business including:
  - mortgages
  - credit cards
  - secured loans
  - unsecured loans

- **Necessary information** means the information a directed PSP needs to execute a payment from the customer's account; it includes the name of the intended payee and the unique identifiers for the receiving account.

- **New payee** means a payee that the directed PSP does not already hold the necessary information for.

- **Participant** has the meaning given by section 42 of FSBRA.

- **Payment system** has the meaning given by section 41 of FSBRA.

- **Payment Systems Regulator** or **PSR** means the body corporate established under Part 5 of FSBRA.

- **Pay.UK** means the company limited by guarantee incorporated in England under company number 10872449; and a reference to it includes a reference to any successor body.

7 This covers PSPs which have indirect access as well as those with direct access (see FSBRA, in particular the definitions of 'participant' and 'payment service provider' in section 42)

- **PSP** means payment service provider and has the meaning given by section 42(5) of FSBRA.
- **Regulated payment system** means a payment system designated by the Treasury under section 43 of FSBRA.
- **Secondary Reference Data account** means an account that is not uniquely addressable by a sort code and account number, but instead relies on including a further unique identifier in the reference field in the payment order.
- **Successor PSP** means a PSP which takes over responsibility for providing UK accounts (whether all or some) from a directed PSP.
- **Suspense account** means an account a PSP uses to store funds temporarily for accounting purposes, or where there is uncertainty as to where the funds should be sent.
- **UK account** means an account a PSP provides in the course of its business in the United Kingdom.
- **Unique identifier** has the same meaning as in the Payment Services Regulations 2017 (see regulation 2).

Made on 10 October 2022

Chris Hemsley
Managing Director
Payment Systems Regulator

Schedule – Group 1 PSPs

No.	PSP
1	Citibank UK Limited
2	Ardohr Limited[1]
3	Elavon Financial Services DAC
4	Goldman Sachs Bank USA, London Branch
5	LHV UK[2]
6	Metro Bank plc
7	Prepaid Financial Services Limited
8	Revolut Limited
9	The Bank of London Group Limited
10	Turkish Bank UK Limited
11	Tide Platform Limited
12	Think Money Limited
13	Bank of Ireland (UK) plc
14	Contis Financial Services Limited
15	CB Payments Limited
16	Yorkshire Building Society
17	Clear Junction Limited
18	Banking Circle S.A
19	Paymentsense Limited
20	BCB Payments Limited
21	Skipton Building Society
22	Hargreaves Lansdown Asset Management Limited
23	Al-Rayan Bank plc
24	Moorwand Limited
25	Coventry Building Society
26	Sainsbury's Bank plc
27	CAF Bank Limited
28	Standard Chartered Bank
29	BNP Paribas
30	AIB Group (UK) plc
31	Deutsche Bank AG
32	Bank of America NA

[1] CreDec is the registered trading name of Ardohr Limited
[2] Part of AS LHV Group

Payment Systems Regulator

Specific Direction 17a varying Specific Direction 17 (on expanding Confirmation of Payee) – draft with option including Group 3

[Month] 2026

Specific Direction 17a: varying Specific Direction 17 (on expanding Confirmation of Payee) – draft with option including Group 3

1 Recitals

Whereas:

1.1 Specific Direction 17 (Expanding Confirmation of Payee) (SD17) was to expire on 1 November 2026 but [on X date the PSR concluded that] it is appropriate to maintain it in force to secure the ongoing availability of Confirmation of Payee (CoP) as a service for customers making and receiving payments across Faster Payments and CHAPS.

1.2 It is also appropriate to secure the ongoing availability of CoP so that those PSPs that already offered it when SD17 came into force[1] (and are not already subject to the direction) become directed under SD17.

1.3 It is appropriate for SD17's operation and effectiveness to be reviewed within five years from the date the amendments in SD17a come into force.

2 Powers exercised and purpose

2.1 Faster Payments and CHAPS are designated by the Treasury under section 43 of the Financial Services (Banking Reform) Act 2013 (FSBRA) for the purposes of Part 5 of FSBRA.

2.2 The PSR makes this direction in accordance with section 54 (Regulatory and competition functions – directions) of FSBRA. In accordance with section 54(3)(c), this direction applies in relation to specified persons (Group 1 PSPs) and persons of a specified description (Group 2 and Group 3 PSPs).

1 24 October 2022

2.3 The purpose of this direction is to vary SD17 so that it continues to protect people making and receiving payments across Faster Payments and CHAPS by:

a. [removing its expiry date of 1 November 2026 / substituting its expiry date of 1 November 2026 with an expiry date of [ ]]; and

b. expanding the number of PSPs subject to it to include those that already offered CoP at the time SD17 came into force (and are not already subject to the direction).

Direction

Now the PSR gives the following specific direction to Group 1, Group 2 and Group 3 PSPs:

3 Changes to recitals

3.1 In Specific Direction 17, in Section 1 (recitals)

a. delete paragraph 1.6;

b. after paragraph 1.5, insert:

‘1.6A In order to secure the ongoing availability of CoP by all PSPs who conduct relevant business, the PSR varied this direction by means of Specific Direction 17a on [xx 2026] to impose its requirements on Group 3 PSPs (see the definition in paragraph 9.9). The requirements of this direction therefore apply to Group 1, Group 2 and Group 3 PSPs. Group 1 PSPs must have and use the system after 31 October 2023, Group 2 PSPs after 31 October 2024 and Group 3 PSPs after 31 December 2026.’

c. delete paragraph 1.8;

d. after paragraph 1.7 insert:

‘1.8A Having considered what is appropriate to secure the ongoing availability of CoP, the PSR considers that the direction should no longer cease to be in force on 1 November 2026 and instead [should continue in force and be subject to review within five years of the date that the amendments in SD17a came into force / the expiry date should be extended to [ ] and be subject to review within five years of the date that the amendments in SD17a came into force] and its application should include Group 3 PSPs.’

4 Changes to Powers exercised and purpose

4.1 In paragraph 2.2 of Specific Direction 17, after ‘Group 2’ insert ‘and Group 3’

4.2 Delete paragraph 2.3;

4.3 After paragraph 2.2 insert:

‘2.3A The purpose of this direction is to ensure that all PSPs who conduct relevant business (see paragraph [9.8]) provide, and must keep providing on an ongoing basis, a CoP service to protect customers when funds are being sent over Faster Payments and CHAPS.’

5 Changes to Requirement to Implement Confirmation of Payee

5.1 In paragraph 3.6 of Specific Direction 17, after 'days' insert the following words in parentheses:

'(this does not apply to a Group 3 PSP unless it does not have a CoP system in regular operation on the day Specific Direction 17a comes into force)'

5.2 In paragraph 3.8 of Specific Direction 17 (applicable date), insert a third bullet point:

'for Group 3 PSPs, 31 December 2026'.

6 Changes to Monitoring

6.1 At the end of the heading to Section 6 of Specific Direction 17 insert "and Review".

6.2 In paragraph 6.2 of Specific Direction 17 insert the following phrase after 'force,':

'or begins or ceases to be a PSP meeting the definition of a Group 3 PSP after the amendments made by Specific Direction 17a come into force,'

6.3 After paragraph 6.2 of Specific Direction 17, insert:

'6.3 The PSR will review the operation and effectiveness of this specific direction before [insert date five years from the date the amendments in SD17a come into force]].

7 Changes to Commencement, revocation and application

7.1 In paragraph 7, after 'on' insert '[ ] 2026 and amends SD17 which came into force on'.

7.2 Delete paragraph 7.2.

7.3 In paragraph 7.3, after 'Group 2', insert 'or Group 3'.

7.4 In paragraph 7.4, after each reference to 'Group 2' in the first sentence, insert 'or Group 3 PSP' and after 'force' in the final sentence insert 'or meets the Group 3 definition after Specific Direction 17a comes into force,'.

8 Changes to Citation

8.1 In paragraph 8.1, after 'Expanding Confirmation of Payee) insert '([DATE] 2026)'.

9 Changes to Definitions and Interpretation

9.1 In paragraph 9.8, footnote 4 of Specific Direction 17, after 'Group 2 PSP' add the words 'and "Group 3 PSP'.

9.2 In paragraph 9.9 of Specific Direction 17, after the definition of Group 2 PSP, insert a new bullet:

'Group 3 PSP means a PSP which:

- is a participant[2] in Faster Payments or CHAPS
- is not a group 1 or group 2 PSP
- conducts relevant business; and
- had a CoP system in regular operation on the date this direction came into force (24 October 2022).'

10 Application

10.1 This specific direction applies to any PSP that is directed as a Group 1, Group 2 or Group 3 PSP.

11 Commencement and duration

11.1 This specific direction comes into force on [date 2026] and amends SD17 which came into force on 24 October 2022.

12 Citation

12.1 This specific direction may be cited as Specific Direction 17a (citation title): varying Specific Direction 17 (on expanding Confirmation of Payee).

2 This covers PSPs which have indirect access as well as those with direct access (see FSBRA, in particular the definitions of 'participant' and 'payment service provider' in section 42)

13 Interpretation

13.1 The headings and titles used in this specific direction are for convenience and have no legal effect.

13.2 The Interpretation Act 1978 applies to this specific direction as if it were an Act of Parliament, except where words and expressions are expressly defined.

13.3 References to any statute or statutory provisions must be construed as references to that statute or statutory provision as amended, re-enacted or modified, whether by statute or otherwise.

13.4 Words and phrases used in this direction have the same meaning as in Specific Direction 17.

Made on [date 2026]

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