

Our annual plan and budget 2021/22



Our annual plan and budget sets out our key aims, activities and expected costs for the year 2021/22.

We publish this to provide a clear overview of what we are doing, why and how, in a sector where we regulate 40 billion payments each year, worth over £92 trillion.

Our mission is that payment systems are accessible, reliable, secure and offer value for money. Our approach will bring change to the payments industry, improving outcomes by injecting competition and innovation where it is needed most and putting the interests of the people and businesses that use payment systems first.

Since 2015, we've been instrumental in making the payments industry better so that people and businesses using payments have better choices and protections. We've made great progress in fighting fraud, particularly in connection with authorised push payment (APP) scams. We have a leading voice on access to cash, shaping the reform of cash provision in the UK.

We've also intervened to reduce the risks associated with the renewal of the systems that deliver most of our interbank payments. Meanwhile, our important work to protect fair competition and access to payment systems continues.

This year we're taking action where we need to in the short term, but we're also creating a longer-term strategy so we can make sure payments continue to work well for everyone. A particular focus for this year is ensuring that Pay.UK's development of the New Payments Architecture promotes the interests of those who use payment systems.

To deliver improvements, we use a mix of approaches. We work closely with industry and consumer groups to identify improvements, as this can often secure changes in a timely and effective manner. However, we can also use our full range of formal powers to effect change, secure compliance and enforce legal requirements.

We remain committed to making sure that payment systems work well for everyone who uses them – now and in the future.

Key projects in 2021/22

Competition from interbank retail payments

We're undertaking research, analysis and engagement to explore the extent to which digital payments innovations are materialising and the impact they could have on consumers and businesses. This will help us to better understand the scale of any barriers to interbank systems being used for retail payments, and how to address them.

Consumer protection

We're looking at what consumer protection measures could benefit consumers and businesses, so they feel safe and secure making a payment directly from one account to another.

We're evaluating responses to our call for views and assessing the actions we should take to support the development of effective protection measures – including regulatory steps.

We'll set out our proposed next steps in a statement by Q4 2021.

Authorised push payment (APP) scams and Confirmation of Payee

APP scams are crimes where someone is tricked into sending money to a fraudster posing as a genuine payee.

We're working to reduce APP scams and protect the victims. We've already helped the industry introduce the Contingent Reimbursement Model (CRM) Code, which sets out when victims should be reimbursed; and we've directed banks to introduce Confirmation of Payee, which is helping to reduce fraud and misdirect payment. We'll continue to work closely with government, industry and consumer groups to identify ways to prevent APP scams and improve protection for victims.

The New Payments Architecture (NPA)

Millions of us rely on interbank payments every day – whether receiving wages, paying bills through Bacs or transferring money using internet banking via Faster Payments. They're an important part of life and are central to the functioning of the UK's economy. The New Payments Architecture (NPA) is a blueprint for a new payment system that's being developed by Pay.UK to process retail interbank payments in the UK.

We'll continue to oversee the procurement of central infrastructure services in the NPA and explore ways to lower risks to the NPA's delivery. We'll assess if we need to use our powers to ensure the NPA delivers its benefits of better prices for everyone.

Access to cash

We're working with the payments industry, the FCA and other authorities to help make sure people have access to the payment methods that they want and need.

We'll continue to oversee LINK and encourage innovation and competition in cash access. We're working with stakeholders to ensure there is a long-term framework in place that provides access to cash.

Card-acquiring market review

We're carrying out a market review into card-acquiring services, an essential part of how businesses take card payments from customers. We want to make sure the market for these services is working well, and that competition is effective, because they enable consumers and businesses to use their cards to pay for goods and services.

We aim to publish and consult on a remedies paper containing our proposals to help merchants get a better deal for card-acquiring services, lead to better outcomes for merchants, and, ultimately, consumers.

We'll also publish a final report setting out our findings and any action we intend to take.