

# Payment Systems Regulator regulatory fees: 2023/24 fees figures

Document setting out the  
fees figures for 2023/24

June 2023

In this document, we set out the figures for 2023/24 regulatory fees for the Payment Systems Regulator (PSR).

The fees are used to fund the PSR's functions under:

- the Financial Services (Banking Reform) Act 2013
- the Payment Card Interchange Fee Regulations 2015
- the Payment Services Regulations 2017

This document should be read together with:

Chapter 4 in PS18/12, which describes the PSR regulatory fees regime, including the collection and allocation methodology that we will use every year:

[www.psr.org.uk/publications/policy-statements/ps-18-12-psr-regulatory-fees](http://www.psr.org.uk/publications/policy-statements/ps-18-12-psr-regulatory-fees)

Chapter 3 in PS23/2, which describes the PSR's decisions to introduce a minimum yearly fee threshold and to charge special project fees payable by operators of new payment systems in certain circumstances:

[www.psr.org.uk/publications/policy-statements/ps23-2-psr-regulatory-fees](http://www.psr.org.uk/publications/policy-statements/ps23-2-psr-regulatory-fees)

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[www.psr.org.uk/publications/general/psr-regulatory-fees-2023-24-fees-figures/](http://www.psr.org.uk/publications/general/psr-regulatory-fees-2023-24-fees-figures/)

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# 1 Introduction

## Background

- 1.1** This document sets out the figures we will use to calculate the regulatory fees for each PSR fee payer in 2023/24. We publish a similar document each year to provide the updated figures.
- 1.2** When this document refers to ‘we’ or ‘us’, this means the Financial Conduct Authority (FCA) and the PSR jointly.
- 1.3** Every year, the PSR receives regulatory fees (PSR fees) from fee payers. We levy these fees to fund the PSR’s operations to perform its functions under relevant legislation. These include functions under and as a result of:
- the Financial Services (Banking Reform) Act 2013 (FSBRA)
  - the Payment Card Interchange Fee Regulations 2015 (PCIFRs)
  - the Payment Services Regulations 2017 (PSRs 2017)
- 1.4** FSBRA enables the FCA to raise fees to fund the PSR to perform its functions. The FCA does so through its rules requiring specific groups of legal persons to pay specified amounts, or amounts calculated in a specified way.
- 1.5** The PSR also has functions under the Payment Accounts Regulations 2015 (PARs 2015). The fees payable in relation to these functions are separate from the PSR regulatory fees regime set out here. You can find out more about those fees in a separate document.<sup>1</sup>
- 1.6** The PSR regulatory fees regime, including the collection and allocation methodology that we will use, is set out in Chapter 4 of the FCA’s June 2018 policy statement on PSR regulatory fees PS18/12.<sup>2</sup> With effect from 2023/24, we have introduced a minimum yearly threshold of £100 for issuing fees; further details are set out in Chapter 3 of the PSR’s April 2023 policy statement PS23/2 on PSR regulatory fees.<sup>3</sup>
- 1.7** Under FSBRA and the PCIFRs, the PSR has the power to impose penalties on firms that fail to comply with obligations that the PSR enforces. Any money collected as a result must be paid to the Treasury after deducting an amount to cover certain enforcement costs, which is called the retained amount. As set out in the PSR’s Financial Penalty Scheme<sup>4</sup>, the PSR will return the retained amount to PSR fee payers by reducing the money it collects from them in the following fee year (with the exception of any fee payer(s) that were liable to pay a penalty). This is the first year the PSR will be returning the retained amount, after issuing penalties under the PCIFRs in 2022.

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1 PSR PS16/2, *The application of the PARs 2015 in respect of alternative arrangements for switching accounts* (May 2016): [www.psr.org.uk/publications/policy-statements/ps-16-2-the-application-of-the-pars-2015-in-respect-of-alternative-arrangements-for-switching-accounts/](http://www.psr.org.uk/publications/policy-statements/ps-16-2-the-application-of-the-pars-2015-in-respect-of-alternative-arrangements-for-switching-accounts/)

2 FCA PS18/12, *PSR regulatory fees* (June 2018): [www.psr.org.uk/publications/policy-statements/ps-18-12-psr-regulatory-fees/](http://www.psr.org.uk/publications/policy-statements/ps-18-12-psr-regulatory-fees/)

3 PSR PS23/2, *PSR regulatory fees* (April 2023): [www.psr.org.uk/publications/policy-statements/ps23-2-psr-regulatory-fees/](http://www.psr.org.uk/publications/policy-statements/ps23-2-psr-regulatory-fees/)

4 The PSR’s Financial Penalty Scheme: [www.psr.org.uk/publications/general/the-psr-s-financial-penalty-scheme/](http://www.psr.org.uk/publications/general/the-psr-s-financial-penalty-scheme/)

- 1.8** As set out in Chapter 3 of the PSR's April 2023 policy statement PS23/2 on regulatory fees<sup>3</sup>, the PSR will now be able to charge special project fees – payable by operators of payment systems that have a for-profit business model – for work in relation to or consequential upon the designation of a new regulated payment system, a new card payment system under the PCIFRs, or a new payment system under the PSRs 2017.

## Who should be interested in this document?

- 1.9** This document will be of interest to:
- participants in regulated payment systems under FSBRA
  - regulated persons under the PCIFRs
  - regulated persons under the PSRs 2017
- 1.10** If you are a PSR fee payer, that is, a payment service provider (PSP) that falls under paragraph 1.9 (or a payment system operator acting as such):
- a. you are required to pay PSR fees that are determined by the allocation method set out in this document and in the FCA Handbook rules in FEES 9<sup>5</sup> Annex 1R
  - b. you are also required to pay an amount of your PSR fees as a pre-payment each year (that is, on account) if you meet the requirement set out in FEES 9.2.2R; the way that is calculated is specified in FEES 9.2.2R(1)
- 1.11** If you are a payment system operator who falls under one of the groups in paragraph 1.9:
- a. you are required to provide the PSR and FCA with the relevant transaction data and the contact details of the relevant PSPs by 1 March every year; this is set out in the FCA Handbook rule in FEES 9.2.4DR
  - b. you should confirm the accuracy of the transaction data you propose to send to us with any PSP who requests it
- 1.12** This document contains no material directly relevant to retail financial services consumers or consumer groups (although financial services consumers may contribute to regulatory fees indirectly).
- 1.13** For more information on the PSR's fee policy and methodology, see Chapter 4 of PS18/12, and Chapter 3 of PS23/2 for special project fees.

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<sup>5</sup> FCA Handbook- FEES 9  
[www.handbook.fca.org.uk/handbook/FEES/9/](http://www.handbook.fca.org.uk/handbook/FEES/9/)

## 2 2023/24 PSR fees figures and timetable

### The annual figures for 2023/24 PSR fees

**2.1** The annual figures for 2023/24 PSR fees are as follows:

- a. The annual funding requirement (AFR) for 2023/24, published in the PSR's annual plan<sup>6</sup>, is £26,914,800 (rounded to the nearest £10).
- b. The denominators for the transaction volume block and the transaction value block are determined by the sum of all fee payers' total transaction volumes and values across all regulated payment systems for the 2022 calendar year.<sup>7</sup> They are:
  1. the total transaction volume of all fee payers: 89,483,205,790
  2. the total transaction value of all fee payers: £199,520,735,465,406

These figures do not include transactions for PSPs that fall below the minimum fee threshold of £100 (see paragraph 1.6).

**2.2** Each payer's PSR fees for 2023/24 are determined by the following formula:

#### Fees allocated to a PSR fee payer =

its fees under the volume block (Vo) + its fees under the value block (Va)

$$\begin{aligned}
 \text{a. } \mathbf{V_o} &= (\text{£}26,914,800 \times 80\%) \times \left( \frac{\text{The sum of the fee payer's relevant transaction volumes in all systems}}{89,483,205,790} \right) \\
 \text{b. } \mathbf{V_a} &= (\text{£}26,914,800 \times 20\%) \times \left( \frac{\text{The sum of the fee payer's relevant transaction values in all systems}}{199,520,735,465,406} \right)
 \end{aligned}$$

**2.3** We do this calculation twice: first, we use it to identify PSPs under the £100 threshold; then we re-run the calculation excluding their transactions to determine the final fees for eligible fee payers. The figures shown here are for the second calculation. You can read more about the allocation method and formula in PS18/12, paragraphs 4.18 to 4.26.

<sup>6</sup> Payment Systems Regulator Annual Plan and Budget for 2023/24, pages 54 to 55: [www.psr.org.uk/publications/annual-plans-and-reports/payment-systems-regulator-annual-plan-and-budget-2023-24/](https://www.psr.org.uk/publications/annual-plans-and-reports/payment-systems-regulator-annual-plan-and-budget-2023-24/). The PSR's total budget for the year is £26,974,800. This is made up of AFR £26,914,800 and special project fees of £60,000 (rounded to the nearest £10).

<sup>7</sup> We have received the transaction volumes and values data from payment system operators.

**2.4** The final amount of retained penalties for 2022/23 is £594,130. In line with the PSR’s Financial Penalty Scheme, this retained amount has been used to reduce the money we collect from our fee payers, excluding those that were liable to pay a penalty in 2022/23. The reduction across each fee payer has been applied in the same proportion as laid out in PS18/12, paragraphs 4.18 to 4.26. This equates to a 2.74% reduction to eligible fee payers.

**2.5** In line with PS23/2,<sup>3</sup> this year the PSR is issuing a special project fee of £60,000.

## The timeline for data provision and fees collection for 2023/24 fees

- 2.6** Table 1 sets out the 2023/24 fees collection timeline. This includes the timings for when:
- a. **payment system operators** should submit the relevant transaction data and contact details to the PSR and FCA
  - b. **the PSR** will publish the annual figures for PSR fees for that fee year
  - c. **fee payers** can expect to pay the PSR fees, after receiving an invoice from the FCA

**Table 1: Timeline for PSR fees collection and data provision for 2023/24**

<b>February to March 2023</b>	<p>The FCA invoices <b>eligible fee payers</b><sup>8</sup> for an ‘on-account’ PSR fee. The fee is calculated by multiplying those fee payers’ 2022/23 fee by 50%.</p> <p>These fee payers pay their on-account fee by 1 April 2023.</p>
<b>By 1 March 2023</b>	<p><b>Payment system operators</b> submit transaction data for the calendar year 2022, and the relevant contact details, to the PSR and the FCA by 1 March 2023.</p>
<b>June 2023</b>	<p><b>The PSR</b> publishes the annual PSR fees information for 2023/24 fees (this document) – namely:</p> <ul style="list-style-type: none"> <li>• the PSR’s annual funding requirement for 2023/24</li> <li>• the transaction data for the calendar year 2022 submitted to the PSR and the FCA by operators</li> </ul>
<b>July to September 2023</b>	<p>The FCA invoices <b>all fee payers</b> for their PSR fee for 2023/24.</p> <p>Fee payers that have paid an on-account fee must pay by 1 September 2023 their PSR fee for 2023/24 less any on-account payments made.</p> <p>All fee payers pay their PSR fee for 2023/24 within 30 days of receiving the invoice.</p>

<sup>8</sup> The eligibility requirement is set out on the FCA’s website: [www.fca.org.uk/firms/fees](http://www.fca.org.uk/firms/fees)

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