

Annual report and accounts 2022/23



Last year, 2022/23, was the first of the PSR's five-year Strategy and it was one in which we made great strides – bringing changes which have had a positive impact on people and payments in the UK.

As well as acting quickly to tackle big challenges affecting payments today, the PSR delivered work that is shaping how we make and receive payments in the future.

With more than 40 billion transactions every year, payment systems are a vital and ever-evolving part of our economy. Payments are an essential part of daily life and it's the PSR's job to make sure the systems underpinning them continue to work well for everyone.

In 2022/23, we used our extensive regulatory powers to promote innovation and competition, and protect people and businesses. We directed almost 400 more firms to offer the Confirmation of Payee service to protect against fraud, implemented pro-competition remedies in the card-acquiring market, and settled two further enforcement cases. We outlined our vision for open banking to develop in a safe, scalable and sustainable way. There was also a new payment system – Finality – which became the newest to fall under the PSR's remit, and the first regulated distributed ledger technology payment system in the world.

How we made a difference in 2022/23

Building our organisation and engaging with our stakeholders

In 2022/23 we continued to make engagement a priority, and did more of it, through attending industry events and conferences, as well as hosting our own events such as our Annual Plan Event in May 2022, and a joint Tech Sprint with the FCA on innovative ways to tackle APP fraud in September 2022.

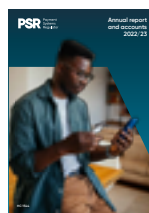
We built a stronger PSR with some key hires, such as our new permanent chair, Aidene Walsh; and new Head of Policy, Kate Fitzgerald. We also brought onboard two new experienced and respected senior advisors in Tessa Lyndon-Skeggs and Rob Kenny, and created a new division to focus on supervision and compliance monitoring.

We met all the commitments we set out in our 2022/23 annual plan and made significant progress against our Strategy, by...

- **Creating much stronger fraud protections for people and businesses.** The PSR is radically changing the way the industry fights and responds to fraud. We laid the groundwork for firms to fully reimburse authorised push payment (APP fraud) victim and directed 14 of the largest UK payment service provider groups to publish their fraud statistics, which will happen for the first time later this year.
- **Improving choice and competition in card payment services for businesses.** We introduced a set of measures, which have now started being implemented, making it easier for UK businesses – particularly smaller ones – to shop around for a good deal on the card payment services they need.

- **Progressing the New Payments Architecture (NPA).** The PSR has been engaging closely with Pay.UK as it progresses with the NPA, which will replace Faster Payments. A key milestone has been achieved, with the competitive bidding process for the procurement of the NPA infrastructure provider completed. We are now focusing on making sure that Pay.UK delivers NPA in a way that benefits competition and innovation.
- **Taking a major step forward for open banking.** The PSR worked closely with the FCA and other members of the Joint Regulatory Oversight Committee to set out plans for the future of open banking and how to unlock its full potential in payments.
- **Putting a greater focus on monitoring compliance.** The PSR wants to make sure firms are following the rules it enforces. Over the last year, we took forward important market reviews of card fees, and completed two enforcement cases resulting in fines totalling over £10m. As part of our wider organisational redesign, a new Supervision and Compliance Monitoring division has been created to support this crucial compliance work.

As well as delivering against the commitments from our 2022/23 annual plan, this year we took on and delivered a significant amount of unplanned work – which came at a cost. Coupled with an increase in staff attrition as the UK came out of lockdown, and the need to protect our delivery of work by drawing on external consultancy support, this was the main reason why our spend last year was over our original budgeted level.



Read our annual report and accounts at the PSR website.