

### Respondent's basic details

<b>Consultation title:</b>	<b>Autumn 2014 PSR Consultation Paper – A new regulatory framework for payment systems in the UK (CP14/1)</b>
Name of respondent:	
Contact details/job title:	
Representing (self or organisation/s):	
Email:	
Address:	

#### Confidentiality

The Payment Systems Regulator (PSR) will assume that your response is non-confidential and can be published and/or referred to in our Final Policy Statement unless you identify specific parts of your response as being commercially confidential and explain in an email why you seek commercial confidentiality for each item.

If you are claiming confidentiality over any part(s) of your response, please provide both a non-confidential Word version of your response and a confidential Word version in which specific information over which you are claiming confidentiality is **yellow-highlighted**. If you are not claiming confidentiality, please provide a Word version of your non-confidential response.

Please check/tick this box if you are making any claim of confidentiality:

#### Declaration

'I confirm that the correspondence supplied with this cover sheet is a formal consultation response that the PSR can publish. However, in supplying this response, I understand that the PSR may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations, in particular if they are asked to disclose a confidential response under the Freedom of Information Act 2000.'

I understand that any decision the PSR make not to disclose the response is reviewable by the Information Commissioner and the Information Rights Tribunal. If I have sent my response by email, I understand that the PSR can disregard any standard e-mail text about not disclosing email contents and attachments. I confirm that this response only contains accurate, complete and non-misleading information.'

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Name Signed (original or scanned hard copy)

# PSR Consultation Questions – Response template

This Word response template is intended to help stakeholders in responding to the questions set out in our Consultation Paper (PSR CP14/1) and in its Supporting Papers.

If you are claiming commercial confidentiality over specific information included in your response, please be sure to clearly mark this by **yellow highlighting** it. We will assume that all un-marked information is not confidential.

Responses should be emailed to us at PSRconsultations@psr.org.uk in Word and PDF formats by no later than **5pm on Monday 12 January 2015**. Any questions about our consultation can also be sent to PSRconsultations@psr.org.uk.

Thank you in advance for your feedback.

## **Question in relation to our proposed regulatory approach (see Part B of our *Consultation Paper* and *Supporting Paper 1: The PSR and UK payments industry* for more details)**

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**SP1-Q1:** Do you agree with our regulatory approach? If you disagree with our proposed approach, please give your reasons.

Type your answer here

## **Questions in relation to our proposed approach to payments industry strategy (see Part D of our *Consultation Paper* and *Supporting Paper 2: Payments industry strategy and areas for collaboration* for more details)**

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**SP2-Q1:** Do you agree with our proposed approach (Option 1) to set up a Payments Strategy Forum, as opposed to Option 2 (maintaining the Payments Council's or a successor body's role in setting industry strategy) or Option 3 (we develop high-level priorities for the industry ourselves), as described in *Supporting Paper 2: Payments industry strategy and areas for collaboration*? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP2-Q2:** Do you have any comments on the design of the Payments Strategy Forum?

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In particular, please comment on how the Forum could meet the need for broad stakeholder representation while still being effective.

Type your answer here

**SP2-Q3:** Do you have any comments on our indicative model for how the Payments Strategy Forum could operate in practice?

Type your answer here

**SP2-Q4:** Are there any additional infrastructure-related themes you believe we, or the Payments Strategy Forum, should consider? If yes, please provide a description of why the additional themes are important to you.

Type your answer here

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**Questions in relation to our proposed approach to the ownership, governance and control of payment systems (see Part E of our *Consultation Paper and Supporting Paper 3: Ownership, governance and control of payment systems for more details*)**

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**SP3-Q1:** Do you agree with our proposed direction requiring all Interbank and Card Operators to ensure that there is appropriate representation of the interests of service-users in discussions and decision-making at board level? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP3-Q2:** Do you agree with the costs and benefits identified for our proposed direction on Operators to ensure there is appropriate representation of the interests of service-users? Can you provide any data that might further inform our analysis of the likely impact of our proposed direction?

Type your answer here

**SP3-Q3:** Do you agree with our proposed direction on Interbank Operators requiring the Interbank Operator to take all reasonable steps to ensure that any individual acting as a director of that Operator must not simultaneously act as a director of an actual or potential Central Infrastructure Provider to that payment system? If you disagree with our proposed approach, please give your reasons.

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Type your answer here

**SP3-Q4:** Do you agree with our proposed approach not to issue directions at this time in relation to the other types of conflicts of interest identified by stakeholders? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP3-Q5:** Do you agree with the costs and benefits identified for our proposed direction requiring the Interbank Operators to take all reasonable steps to ensure that any individual acting as a director of that Operator must not simultaneously act as a director of an actual or potential Central Infrastructure Provider to that payment system? Can you provide any data that might further inform our analysis of the likely impact of our proposed direction?

Type your answer here

**SP3-Q6:** Do you agree with our proposed direction to require all Operators to publish board minutes in a timely manner? In particular, do you agree with our proposal for the published minutes to include a record of votes and reasons for decisions made? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP3-Q7:** Do you agree with the costs and benefits identified for our proposed direction to require all Operators to publish board minutes in a timely manner? Can you provide any data that might further inform our analysis of the likely impact of our proposed direction?

Type your answer here

**SP3-Q8:** Do you agree with our proposed approach not to issue a direction at this time in relation to Payments Council reserved matters? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**Questions in relation to our proposed approach to access to payment systems (see Part F of our *Consultation Paper* and *Supporting Paper 4: Access to payment systems* for more details)**

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**SP4-Q1:** Do you agree with our preferred option that an Access Rule, aligned with Principle 18 of the CPSS-IOSCO Principles, should be applied to those pan-GB Operators not subject to Regulation 97 of the PSRs 2009 (i.e. Bacs, C&CC, CHAPS and FPS)? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP4-Q2:** Do you agree with our proposal to introduce a Reporting Rule (on compliance with the access obligations applicable to them) on all relevant pan-GB Operators (i.e. Bacs, C&CC, CHAPS, FPS, LINK, MasterCard and Visa)? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP4-Q3:** Do you agree with our proposal to require public disclosure of Access Requirements for Operators subject to Regulation 97 of the PSRs 2009 (i.e. LINK, MasterCard and Visa)? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP4-Q4:** Do you agree with the costs and benefits identified for our Access Package (i.e. our Access Rule and Reporting Rule)? Can you provide any data that might further inform our analysis of the likely impact of our proposed directions?

Type your answer here

**SP4-Q5:** Do you agree with our proposed direction requiring Sponsor Banks to publish certain information? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP4-Q6:** Do you agree with our proposed approach in relation to the development (by industry) of an Information Hub? Or do you consider that we should take a more prescriptive approach at this time? If you disagree with our proposed approach, please give your reasons.

Type your answer here

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**SP4-Q7:** Do you agree with our proposed approach in relation to the development (by industry) of a Sponsor Bank Code of Conduct, to be approved by the PSR? Or do you consider that we should take a more prescriptive approach at this time? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP4-Q8:** Do you agree with our proposed approach in relation to the development (by industry) of Technical Access solutions? Or do you consider that we should take a more prescriptive approach at this time? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP4-Q9:** Do you agree with the costs and benefits identified for our proposed direction on Indirect Access? Can you provide any data that might further inform our analysis of the likely impact of our directions?

Type your answer here

**Question in relation to our proposed approach in relation to interchange fees (see Part G of our *Consultation Paper Supporting Paper 5: Interchange fees* for more details)**

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**SP5-Q1:** Are there other matters regarding interchange fees that you think we should consider at this stage?

Type your answer here

**Questions in relation to our proposed approach to our regulatory tools (including our high-level Principles, and our enforcement and dispute resolution processes) (see Parts H and I of our *Consultation Paper Supporting Paper 6: Regulatory tools* for more details)**

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**SP6-Q1:** Do you agree with our three proposed high-level PSR Principles on Relations with regulators, Compliance and Financial Prudence? If you disagree with our proposed approach, please give your reasons.

Type your answer here

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**SP6-Q2:** Do you agree with our proposed approach that our PSR Principles on Relations with regulators and on Compliance should apply to all participants? If you disagree with our proposed approach, please give your reasons for disagreeing, and explain which categories of participants you consider they should apply to and why.

Type your answer here

**SP6-Q3:** Do you agree with our proposed approach that our PSR Principle on Financial prudence should apply to Operators and Central Infrastructure Providers? If you disagree with our proposed approach, please give your reasons for disagreeing, and explain which categories of participants you consider it should apply to and why.

Type your answer here

**SP6-Q4:** Do you think that we should also adopt some or all of the additional proposed Principles relating to Integrity, Skill care & diligence, Management & control, Governance, Service-users' interests, and/or Conflicts of interest? If you think we should adopt some or all of the additional proposed Principles, do you agree with the proposed participants to which each Principle would apply? Please give reasons for your response. If you disagree with the proposal to adopt some or all of the additional Principles, please give reasons for your response.

Type your answer here

**SP6-Q5:** Do you agree with the anticipated costs and benefits identified for our three proposed high-level Principles? Can you provide any data that might further inform our analysis of the likely impact of our proposed directions?

Type your answer here

**SP6-Q6:** Do you agree with our proposed approach for our Objectives Guidance? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP6-Q7:** Do you agree with our proposed approach for our Administrative Priority Framework, or are there any additional points that you think we ought to cover? If you disagree with our proposed approach, please give your reasons.

Type your answer here

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**SP6-Q8:** Do you agree with our proposed approach for our Powers & Procedures Guide? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP6-Q9:** Do you agree with our proposed approach for our dispute resolution and applications procedures? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP6-Q10:** Do you agree with our proposed approach for our Super-Complaints Guidance? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP6-Q11:** Do you agree with our proposed approach to setting penalties? If you disagree with our proposed approach, please give your reasons.

Type your answer here

**SP6-Q12:** Do you think that we should also take into account metrics other than revenues when setting penalties, in particular when considering participants organised as not-for-profit entities (e.g. should we take into account the value of funds transferred through the relevant system and relating to that participant in such a case)?

Type your answer here

**SP6-Q13:** What should be the upper limit (if any) on penalties (e.g. 10% of annual revenues derived or billings made by the participant from the business activity in the United Kingdom to which the compliance failure relates), and should this upper limit differ according to the category of participant?

Type your answer here

**SP6-Q14:** Do you agree with our proposed approach with respect to the enforcement and enforceability of penalties? If you disagree with our proposed approach, please give your reasons.

Type your answer here



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