

Confirmation of Payee

Compliance report on Specific Direction 17

November 2025

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1 Introduction

- 1.1** Confirmation of Payee (CoP) is a name checking service which verifies a recipient's name against their account details when a payment is initiated over Faster Payments or CHAPS. It's an important tool in preventing misdirected and fraudulent payments.
- 1.2** CoP means that service users can check that the name of the recipient's account matches their account number and sort code, and provides an added assurance that the funds are heading to the correct account.
- 1.3** Here we report on Payment Service Providers' (PSP) delivery and progress so far. We also set out some key messages and information on compliance that all directed parties would benefit from taking on board. These messages apply to all of the PSR's directions.

Background

- 1.4** In 2019, we directed the UK's biggest retail banks to use a CoP system by March 2020. This initial rollout was successful so we wanted to expand the protection CoP offered. We published Specific Direction 17 which required 'Group 1' PSPs to use CoP by October 2023.
- 1.5** Group 1 consisted of 32 of the remaining PSPs which we identified as the those who would have the biggest impact on preventing fraudulent and misdirected payments. This was later reduced to 29 PSPs after we granted two extensions of one year and removed one PSP which only processed exempt transactions.
- 1.6** We brought CoP's coverage of the market to around 99% by directing 'Group 2' PSPs to use CoP by October 2024. Our compliance work began well in advance of both deadlines. We ensured high levels of timely compliance by working closely with Pay.UK to proactively understand PSPs' readiness, ensure they understood their obligations and had robust plans in place to deliver on time. As set out below, this resulted in good initial compliance rates at both deadlines.
- 1.7** Since the October 2024 deadline, we've been monitoring to assess compliance rates among Group 2. We explain below how directed parties have progressed in implementing the system, and what we've done to address issues we've identified.

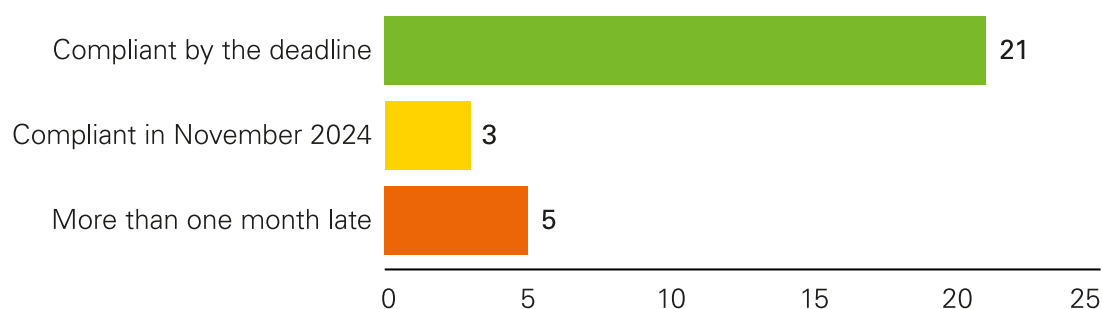
What we've seen so far

- 1.8** The overall uptake we've seen has been excellent:
 - over 320 organisations now offer CoP checks in the UK
 - over 99% of organisations initiating Faster Payments transactions in the UK now offer CoP checks
 - over 2 million CoP checks are completed every day

2 Implementation overview

- 2.1** Specific Direction 17 directed Group 1 PSPs to deliver a CoP system by 31 October 2023, and required the remainder of in-scope firms to implement a system by 31 October 2024.
- 2.2** Ahead of the deadlines, we worked closely with Pay.UK, the UK's interbank payment systems operator, to develop a targeted communications campaign. This was to ensure that firms meeting the definition of a Group 1 or Group 2 PSP were aware of their obligations and were taking the necessary steps to comply ahead of the respective deadlines. As an example, in June 2024, we intervened using our statutory powers to obtain delivery plans from Group 2 PSPs who had failed to respond to Pay.UK's targeted communications.
- 2.3** Twenty-nine Group 1 PSPs were required to have and use a CoP system by 31 October 2023. Twenty-one of those PSPs met the deadline, with a further three joining by November.
- 2.4** The PSR then began enhanced monitoring activities with the remaining five. As of October 2024, all 29 Group 1 PSPs had delivered a CoP system.

Figure 1: Group 1 compliance rates



- 2.5** We opened two enforcement investigations into Group 1 PSPs as a result. One is now closed and the other remains ongoing.
- 2.6** Pay.UK launched a new CoP directory that PSPs could join directly or via a third-party aggregator. This helped make the system more accessible and cost-effective, particularly for smaller PSPs in advance of the 2024 deadline for Group 2.
- 2.7** We worked with Pay.UK to contact those organisations that were obligated to meet the definition of a Group 2 PSP in the months leading up to the deadline. This was to ensure that industry was aware of its obligations and had plans in place to deliver on time. As a result, we were confident that compliance rates would be high before the deadline.

Figure 2: Group 2 compliance rates over time

2.8 At the date of the deadline, there were around 250 Group 2 PSPs we expected to join the CoP system and around 180 delivered by the required date.

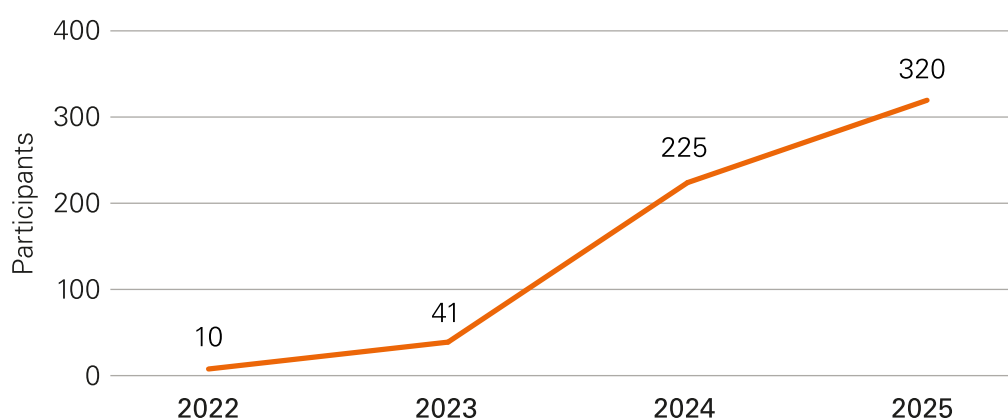
2.9 We then began an enhanced monitoring and supervisory period. We worked with around 65 PSPs that had failed to meet the deadline, obtaining delivery plans and figures on the volumes and values of their transactions, so that we could assess the potential impact on service users and ensure that PSPs were on track to deliver compliance at the earliest possible opportunity.

2.10 By January 2025, the number of Group 2 firms successfully operating a compliant CoP system had increased to 230, leaving around 20 PSPs that had failed to deliver.

2.11 We continued to closely monitor these PSPs and challenge their delivery plans to ensure the shortest possible period of non-compliance.

2.12 At the time of writing in October 2025, there are four firms to whom we consider CoP rules apply that are yet to implement a CoP system. In the final chapter, we explain how we're working with them to deliver compliance, including in some cases, opening enforcement investigations.

2.13 Figure 3 shows the increase in the number of CoP users since its launch in October 2022.

Figure 3: Total number of CoP participants

3 Our expectations of directed firms

- 3.1** In most cases, PSPs who planned for regulatory changes and engaged early with the process saw a smoother journey to compliance. Those who were less prepared faced a heightened risk of non-compliance.
- 3.2** Under General Direction 1, participants and regulated parties must deal with us in an open and cooperative way. They must notify us of anything relating to them which we would reasonably expect to know about as soon as possible.
- 3.3** In practice, we expect directed firms to:
- be transparent and forthcoming with any information relating to a PSP's ability to comply with PSR requirements. This might include potential risks identified in planning stages which may affect a PSP's ability to meet one of our deadlines
 - be proactive in its communication with us. If it has missed (or expects to miss) a compliance deadline, it should proactively update us on its progress, rather than expecting us to chase for updates
 - ensure that it has assessed and met all PSR obligations **before** launching any new products or business activities. Firms should carry out all regulatory assessments and ensure they're prepared in advance; it's not acceptable to make new services available to users first and worry about our regulations later.

4 Next steps

- 4.1** A year on from the deadline for Group 2 firms to deliver CoP, the PSR continues to monitor a small group of firms that still do not have a CoP system. We take compliance with our regulations very seriously, and firms should be aware that we may intervene if they don't comply.
- 4.2** Below we outline our plans, focusing on our monitoring work and initiating enforcement cases.

Enforcement cases

- 4.3** We've opened three enforcement investigations into Group 2 firms who did not meet the deadline (in addition to one ongoing case from Group 1).
- 4.4** We assessed these firms against the factors in our [Administrative Priority Framework \(APF\)](#) and prioritised three cases with the most material impact on end users.
- 4.5** Our Enforcement team will investigate whether there has been a compliance failure, and may decide to refer the case to the Enforcement Decisions Committee. It will decide whether the firm should be sanctioned (and if so what the appropriate sanction is).
- 4.6** In some cases we may settle with firms. You can find more details about our enforcement processes in our [Powers and Procedures Guidance \(PPG\)](#).

Our monitoring work

- 4.7** For those firms who are yet to have and use a CoP system, or those who might meet the definition of a Group 2 PSP in future, we'll continue to carry out proactive monitoring to ensure industry is meeting its regulatory obligations.
- 4.8** PSPs who don't currently meet the definition of a Group 2 PSP but wish to join CoP can do so by contacting Pay.UK. They should also notify us at compliancemonitoring@psr.org.uk.
- 4.9** It's also worth noting that firms who may not previously have conducted relevant business but begin to do so are required to implement a CoP system, and the PSR will continue to monitor market data to identify PSPs who may meet the definition.
- 4.10** If you think you may conduct relevant business and may meet the definition of a Group 2 PSP, [Specific Direction 17](#) sets out the required definitions and will allow you to make an assessment.

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