

Designation of a switching service as an alternative arrangement under the Payment Accounts Regulations 2015

**Decision of the Payment Systems Regulator in relation to the
designation of the Current Account Switch Service operated
by Bacs Payment Schemes Limited**

September 2016

1. The Payment Accounts Regulations 2015 (the PARs) make provision for 'switching' or 'switching services'. This is where information and money from a consumer's payment account is transferred to a new account, at the consumer's request.

The information to be transferred may include some or all of the consumer's:

- standing orders for credit transfers
- recurring direct debits
- recurring incoming credit transfers
- positive payment account balance

2. Payment service providers (PSPs) must offer a switching service allowing consumers to switch between any payment accounts that are:

- denominated in the same currency
- opened or held with a PSP located in the UK

Switching services must meet the requirements set out in Schedule 3 of the PARs, except where regulation 15 applies.

3. Regulation 15 applies where a PSP is a party to, and compliant with the requirements of, a switching service which we have designated as an alternative arrangement.

4. Under Regulation 15 and paragraph 3(1) of Schedule 4 of the PARs, we may issue a designation certificate declaring a switching service to be an alternative arrangement (and identifying the operator of the switching service) if:

- an application is made in the manner directed by us
- the required application fee is paid and
- we are satisfied that the switching service meets the requirements of regulation 15(2) of the PARs

5. On 9 June 2016, Bacs Payment Schemes Limited (BPSL), the operator of the Current Account Switch Service (CASS):

- made the appropriate application for CASS to be designated as an alternative arrangement pursuant to paragraph 2 of Schedule 4 of the PARs
- provided the relevant information as requested by us and paid the required fee

6. The CASS application for designation included:

- an application document setting out the role of CASS and how BPSL considers that CASS meets the designation requirements
- a signed declaration by an authorised officer of BPSL that the information provided is accurate, up to date and not misleading
- supporting documents, in line with the requirements in our PARs guidance (PSR CP16/1), such as the CASS Guide and Rules and the CASS Code of Conduct

- 7.** We have considered the application and supporting evidence, based on the approach we set out in CP16/1, and are satisfied that CASS meets the requirements of regulation 15(2). These are that the switching service:
- (a) is clearly in the interest of the consumer
 - (b) does not impose upon the consumer any burden additional to those imposed by paragraphs 2 to 6 of Schedule 3 of the PARs
 - (c) ensures that the procedure for switching is completed at least within the same overall timeframe that applies in the case of a switching service that meets the requirements of paragraphs 2 to 6 of Schedule 3 of the PARs
- 8.** In exercise of our powers under paragraph 3 of Schedule 4 of the PARs, we have decided to issue a designation certificate declaring CASS to be an alternative arrangement operated by BPSL.