

PSR stakeholder reputation survey 2018

We commissioned BritainThinks, an independent market research company, to conduct a stakeholder reputation survey for the PSR. This is the third year we have conducted this survey to find out how you, our stakeholders, think we are doing.

The survey explored:

Perceptions of the payments industry and users of payment systems: Overarching views and how this has changed over time.

Views of our performance and reputation: Overarching views of our reputation, factors driving these perceptions, views of specific PSR activities over the past year and the level of intervention by the PSR.

Views of our our communications and engagement: looking at the accessibility and impact of the PSR's communications and engagement activities.

PSR | stakeholder reputation survey 2018

External summary of final report by BritainThinks

This is the third year that BritainThinks has been commissioned by the PSR to conduct a stakeholder perceptions survey as a key piece of insight for the organisation as it continues to develop and build its credibility as a competent payments regulator.

The breakdown and coverage of stakeholders interviewed as part of the qualitative and quantitative survey remains broadly consistent with last year's survey - specifically we interviewed 102 representatives from across a representative spread of stakeholder organisations, including industry and end user stakeholders. We explored the views of 25 of these stakeholders in more detail through further discursive interviews.

Last year, the PSR received broadly positive ratings, but views of the regulator were becoming increasingly polarised. This year, the PSR has maintained its positive reputation score in a challenging context and there is a growing recognition from many stakeholders that the PSR is moving from 'planning mode' into delivery. More than two thirds of industry stakeholders surveyed now rate the PSR's reputation broadly positively.

"Their overall direction is positive. A lot of work is being done. They are listening to the industry, financial services firms, consumers. They are very proactive, doing the right things." (Industry stakeholder, payment systems provider)

However, there remain some notable differences between stakeholder groups, with representatives of end users of payment systems often more cautious or critical.

"I don't think they listen enough to the views of merchants." (End user stakeholder, retailer)

Top findings

1. Stakeholders continue to be optimistic about the overall direction of travel of the UK payments industry. As in previous years, this perception is particularly strongly driven by perceptions that the industry is innovative. Innovation in underlying infrastructure is the area of the industry seen as most improved since 2017.
2. The PSR's overall reputation score has held steady since 2017. Qualitatively, there is an increasing perception that the PSR is moving from planning to delivery. Stakeholders feel more confident that the PSR will do what it says it will and are significantly more likely to believe the PSR is achieving its statutory objectives. 62% of stakeholders agree that

the PSR is both promoting effective competition and promoting innovation (39% and 41% respectively last year).

3. More critical perceptions are largely driven by end user stakeholders, some of whom can feel that the PSR is too industry facing and not doing enough to meet the needs of end users, particularly businesses and retailers. Representatives of end users are also more sceptical about the extent to which the PSR and the payments industry overall are meeting the needs of end users.

"They're doing well at pushing the agenda but at the moment there is a bias towards retail and the unbanked sector, and there is very little consideration of business customers." (Industry stakeholder, Infrastructure/tech provider)

4. Positively, stakeholders are more able to point to specific actions by the PSR than in previous years. The PSR's work on scams, competition and innovation, and the PSF Blueprint and open letter to the NPSO are the PSR's best known actions and tend to have had a positive impact on perceptions of the regulator.

"The formation of the New Payment System Operator, and what it's driving, will drive change and innovation." (Industry stakeholder, Infrastructure/tech provider)

5. Communications and engagement remain highly rated, and PSR staff are seen as communicative and consultative by a majority of stakeholders. Recent regional events in Leeds, Edinburgh, Cardiff and Belfast are particularly highly rated, as well as the Annual Plan launch event.

Recommendations

There is an appetite to see the PSR maintain momentum behind the progress it has made in delivery. Looking ahead, stakeholders suggest that the PSR can be more proactive by:

- Actively monitoring and following through change in the industry, even if it is ultimately the responsibility of industry to deliver these changes. Examples include existing work on push payment scams and the New Payments Architecture.
- Communicating how its actions link to its objectives and broader picture, and in particular how changes in the payments industry ultimately benefit end users including consumers and businesses. There is also a demand to understand the future priorities the PSR is planning to address.
- Looking at the industry holistically and recognising the combined impact of changes, including those with a cost implication for the industry.

- Raising its head above the parapet on key issues facing the industry, such as EU Exit, and in the event of challenges such as payment failures.

Our response

The year ahead

We are grateful to our stakeholders' who took the time to feedback on the PSR.

This survey has highlighted that the PSR is operating in an increasingly complex and changing environment. It also recognises the fact that our stakeholder universe reflects this complexity. With new and changing audiences, it is more important than ever that we have this research to help us measure the impact of the work that we do.

The stakeholder perceptions survey gives us unique and, importantly, independent insight into our stakeholders' views and opinions, not just of the PSR in isolation, but in the context of the wider payments industry.

We are pleased to see that you have confidence in our work and delivery. Our reputation is stable and we have worked hard over the past year to engage with you in ways that are meaningful and useful – following on from your feedback last year.

We know that within the payments industry, stakeholders have had a lot of opportunity to engage with us and feed into our work, and this is reflected in your views.

It is clear, as our work becomes relevant to different audiences, including consumers, businesses, and retailers, that we need to adapt our approach. We will focus our efforts on demonstrating how changes in the payments industry and the work we are doing will benefit different groups.

You said that you want us to demonstrate that we are looking at the industry holistically and to understand more about our future priorities. As the first dedicated regulator of payment systems, we are in a unique position to understand the market and the broader value of payment systems in the UK. Your views will help shape our engagement over the next year to identify emerging issues and to stay ahead of industry developments.

As the Payment Systems Regulator, we work closely with other financial regulators and Government to make sure that payment systems are effective, reliable and secure, and that they operate in the interests of users. We will work hard to keep you informed of changes that affect the market and the work we are doing.

We will continue to focus the ways that we engage with our stakeholders, and listen to you – through research like this, through our issue-specific work consultations, and across our external engagement programme, both formally and informally.