

# Administrative Priority Framework

March 2015

**Our Administrative Priority Framework helps us to use our resources in the most efficient and effective way to further our statutory objectives, functions and duties.**

---

## Introduction

We need to use our resources in the most efficient and effective way to further our statutory objectives, functions and duties, in accordance with section 53(a) of FSBRA. This means that we need to make decisions regarding, for example, which investigations we open and continue, and how we respond to applications and complaints, subject to any specific legal duties we might have.<sup>1</sup>

In making these decisions, we will initially consider the degree to which taking action provides us with an opportunity to advance one or more of our statutory objectives, functions and duties, as we are unlikely to pursue an action which does not clearly do this.

We will then weigh up the impact and strategic importance of taking action with respect to the advancement of our statutory objectives, functions and duties, against the associated risks and resource implications (as set out below). In other words, we will decide whether taking action would be consistent with our administrative priorities. We have adopted this Administrative Priority Framework based on the types of issue we will consider and questions we will ask ourselves in order to help make these decisions.

We will make decisions on a case-by-case basis. We will consider only factors which we consider to be relevant to each specific case, and we may therefore not consider all of the factors listed below in reaching our decision. Our Administrative Priority Framework is illustrative, rather than exhaustive, and we will consider other factors where and as appropriate.

The factors we may consider are grouped in four main themes, which are listed below in alphabetical order, without ranking them with particular weighting (the relative importance and weighting of individual factors will vary from case to case).

This Administrative Priority Framework is to be read alongside our Objectives Guidance. The impact and strategic significance of taking action are directly related to the advancement of our statutory objectives, functions and duties.

---

<sup>1</sup> For example, we are required to respond within 90 days upon the receipt of a complaint from a representative body in accordance with ss.68 and 69 FSBRA.

## 1. Impact (with respect to the advancement of our statutory objectives, functions and duties)

- a. The risk that the behaviour or issue presents to service-users (including consumers) and participants in payment systems – this includes us considering whether that risk is immediate or not, whether the impact is direct or indirect, and what the scale and magnitude of the impact would be if the risk or issue was not addressed by us at this time.
- b. The risk that the behavior or issue presents to the stability or resilience of payment systems and to wider financial stability.
- c. The likely short-term and long-term impacts that our action is likely to have – this includes the direct as well as the indirect impact (for example deterrence and awareness effects).<sup>2</sup>
- d. The severity of the behaviour or issue and whether it is ongoing.
- e. Whether the behaviour or issue is repeated, intentional or a particularly flagrant contravention or infringement.
- f. Whether, if the behaviour or issue directly relates to a particular organisation, they have a history of similar contraventions or infringements or applications, or a demonstrated record of poor compliance.
- g. The extent to which the behaviour or issue impacts on the development or protection of competitive markets, contributes to the creation or stifling of market conditions in which innovation thrives and service-users' interests are protected, and/or has a widespread impact across the market.

## 2. Resources (implications for the Payment Systems Regulator)

- a. The resource implications for us of taking action, given:
  - i. the need to act fairly in the interests of all parties likely to be affected (for example: service-users; the complainant or applicant; the target of the investigation; the party in relation to which the application is directed; third-parties)
  - ii. the extent to which the resource requirements are proportionate to the anticipated benefits of action
  - iii. the timing and resource requirements of other existing or anticipated work
  - iv. the need for, and availability of, specific policy or specialist skills in order to take action
- b. Whether there are alternatives to us taking action (by considering an application or investigation, or continuing an investigation, or progressing to the next phase in treating an application) that are likely to achieve the same ends, or deal with the same issues on a sufficiently timely basis (for example: dispute resolution; private enforcement; planned market reviews or studies; other proceedings we are undertaking; the use of alternative

---

<sup>2</sup> We will keep the impact of our actions under review and this might inform future administrative prioritisation decisions.

powers; action by other authorities; market developments; anticipated UK or EU legislative developments or self-regulation).

### **3. Risk (relating to the likelihood of success of any action by us)**

- a. The likelihood of our action resulting in a successful outcome.
- b. The existence of a relevant decision by us or other authorities establishing the existence (or not) of an infringement or position of significant market power in a market which appears relevant to the complaint or application, and how this interacts with the issue before us.
- c. The strength and quality of the evidence presented and available on which to base any action we might take.

### **4. Strategic importance (with respect to the advancement of our statutory objectives, functions and duties)**

- a. Whether the issue that has been identified relates to our broader strategic goals or priorities (including those within our Annual Plan) and portfolio of work in support of our statutory objectives, functions and duties.
- b. The strategic and economic significance of the issues raised.
- c. Whether other agencies might be better placed to undertake the work, including for example other UK regulators, law enforcement bodies or the European Commission.
- d. Whether there is a point of public policy or law of wider application such that action by us would help to clarify our approach for our stakeholders.
- e. The extent to which knowledge that would be gained in us taking action would progress our responsibilities and/or fulfil our monitoring role under any relevant UK or EU-driven legislation.