

PSR annual plan and budget 2017/18

No.17/2

We've published our fourth annual plan for 2017/18, setting out our main activities and projects for the year. These will help us continue to achieve our statutory objectives: promoting competition and innovation within the UK payments sector to benefit payment service users.



Payment systems are all around us

Payment systems are a vital part of the UK's financial system, helping boost productivity and economic growth.

Payment systems need to be versatile and adapt to rapidly advancing technologies. This means systems, and organisations that provide payment services, must be **secure and reliable**, but must also **push boundaries and innovate** to deliver a variety of products and services that work well for users with a broad range of needs.

Our role is to make sure we have the right market arrangements to foster innovation and competition, and to facilitate collaboration when needed.

Ongoing projects

During 2017/18 we will finish and implement work on four substantial existing projects: our market reviews on infrastructure and indirect access; the Which? super-complaint on authorised push payment scams; and the Payments Strategy Forum.

We will also review and revise our access and governance directions; monitor the performance of the Current Account Switch Service (CASS); and build our knowledge of developments in contactless mobile payments.

We will continue our important work to implement and monitor compliance with the EU Interchange Fee Regulation, the first and second EU Directives on Payment Services, and the Payment Accounts Regulations. We will continue to develop our role as an effective enforcement regulator and competition authority.

Factsheet

Competition, innovation and beyond

We've been considering how we can pursue our objectives as the payments sector evolves. Through our engagement with industry and users, we have identified **three key** areas to explore in the year ahead:

- **consumer protection and education**
- the use of **data in payments**
- **changing competitive dynamics**

We will look at our potential role in each area, and assess the fitness of the existing regulatory framework using an evidence-based approach. This exploratory work will also strengthen our ability to foster an environment where new and existing players can respond to industry changes.



Exploratory work in thematic areas

Consumer protection and education	The changing nature of the payments sector raises consumer protection and education issues. We will seek to better understand and address these issues, including through the programme of work we are pursuing following the Which? super-complaint into authorised push payment scams.
Use of data in payments	The availability of data is increasing along with its commercial use in payment systems. We will continue to examine emerging issues around data privacy, security and consumer protection.
Changing competitive dynamics in the market	Rapid technological innovation and increasing penetration by fintechs and other new participants are changing the payments market. We will monitor the evolving market from a competition perspective, and direct our focus and regulatory response to emerging issues.

The Payment Systems Regulator is the economic regulator for the UK's main payment systems. You can find out more about us at

www.psr.org.uk