

Specific Direction revoking Specific Directions 2 and 2a

(competitive procurement of
central infrastructure (Bacs))

August 2025

Specific Direction revoking Specific Directions 2 and 2a (competitive procurement of central infrastructure (Bacs))

1 Recitals

Whereas:

- 1.1** The Payment Systems Regulator (PSR) gave Specific Direction 2 in June 2017. In December 2021 it varied Specific Direction 2 by giving Specific Direction 2a.
- 1.2** Specific Direction 2 imposed requirements on the operator of Bacs, in particular that contracts for central infrastructure services had to be competitively procured. SD2a varied those requirements.
- 1.3** In light of changed circumstances, as set out in the PSR's policy statement, "Decision to revoke Specific Direction 3 and consultation on revoking Specific Direction 2" and following the consultation on revoking SD2 of 8 May 2025 and the statement on revoking SD2 and SD2a of August 2025, the PSR has decided to revoke Specific Directions 2 and 2a.

2 Powers exercised

- 2.1** The PSR makes this specific direction in accordance with section 54(3)(c) (Directions) of the Financial Services (Banking Reform) Act 2013 (the Act).
- 2.2** The PSR has had regard in particular to the following provisions of the Act:
 - a. sections 49 to 53 (General duties of Regulator)
 - b. section 62 (Duty to consider exercise of powers under Competition Act 1998)

Direction

NOW the PSR gives the following specific direction to the operator of Bacs:

3 Revocation of SD2 and SD2a

- 3.1** Specific Direction 2 (Procurement: Bacs) and Specific Direction 2a (varying Specific Direction 2) are revoked on 27 August 2025.

4 Application

- 4.1** This specific direction applies to the operator of Bacs.

5 Citation

- 5.1** This specific direction may be cited as Specific Direction revoking Specific Directions 2 and 2a (competitive procurement of central infrastructure (Bacs)).

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David Geale
Managing Director
Payment Systems Regulator

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12 Endeavour Square
London E20 1JN
Telephone: 0300 456 3677
Website: www.psr.org.uk

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