

# The Payment Systems Regulator – one year on

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# Indirect Access - The good outcomes

We have observed:

- **Large IPSPs (such as challenger banks) have a number of options** to access payment systems.
- A reasonable level of **overall satisfaction with the quality** of the indirect access offering.
- The overall feedback we have received to date **does not indicate a widespread level of concern with price.**
- We are seeing **investment and innovation** in new and improved service offerings, which should improve quality and choice outcomes for all IPSPs.

# Indirect Access - Areas of concern

	<b>Small IPSPs</b>	<b>Medium IPSPs</b>	<b>Large IPSPs</b>
<b>Choice</b>	Limited	Could be limited	Have more choice
<b>Quality</b>	Relationship management	Quality – 24/7 FPS access	
<b>Switching</b>	Notice periods	Costly, complex, time-consuming	
	Business continuity		

# Indirect Access - Developments addressing our concerns

	Small IPSPs	Medium IPSPs	Large IPSPs
Choice	Reviews of financial crime regulation	Bank of England RTGS review	
		Improved technical access for IPSPs	
		PSR Programme of work on direct access	
	Market entry and expansion		
Quality	PSR Sponsor Bank Information Direction		
	Improved IAP access offerings		
	IAP Code of Conduct		
Switching	Current Account Switch Service + CMA's proposed measures	Image Clearing System	
	Payments Strategy Forum – working groups on access and financial crime		

# Indirect Access - Interim proposal

- We have **considered what options** we might take to address concerns identified.
- A **number of significant developments** are occurring – particularly entry by new IAPs, new forms of access arrangement and other work by the PSR on access.
- **We expect these developments to address the concerns** we have and improve choice, quality and price outcomes for service-users.
- We therefore propose to **support these developments rather than take immediate regulatory action**, which may affect the incentives for such developments to proceed.
- We will monitor these developments and will consider taking further regulatory action either as part of this review, or if our concerns are not sufficiently addressed **within twelve months**.

# Payments Strategy Forum

- Industry led, multi-stakeholder initiative to make payment systems work better for those who use them.
- Forum, Working Groups, Payments Community.
- Progress is encouraging.
- Current challenges.
- Outcomes.
- Key dates.