

Payment Systems Regulator HM Treasury

Non-qualifying regulatory provision assurance statement: **confirmed**

Under the better regulation framework, for measures being introduced during the 2017-22 parliament there is no requirement for regulators to submit their NQRP summaries for Regulatory Policy Committee (RPC) assurance. The RPC welcomes the Payment System Regulator's voluntary submission of its 2018/19 NQRP summary for RPC assurance.

The RPC is content that, on the basis of the summary information provided, none of the measures or activities covered in the summary document should be considered as a qualifying regulatory provision for the purposes of the business impact target. This statement does not provide a detailed view of any specific activity in the regulator's summary document. Nor does it comment on any activities not included in the summary. Some activities might, however, have been the subject of separate assessments of qualifying regulatory provisions.

Comments on the non-qualifying regulatory provision summary

The regulator's summary provides a clear description of each measure. In relation to the *de minimis* exclusion category, the regulator includes 'specific direction' 8 and 9, given to LINK and VISA respectively. Based on the 'specific direction' documents, which clearly layout the requirements, the RPC is content with the regulator's assessment of the measure against the *de minimis* exclusion category. However, the summary statement would benefit from some brief analysis to support the categorisation.

In relation to 'education, communication and promotions', the summary would benefit from an explicit statement confirming that none of the information produced creates a new regulatory standard that business will be expected to follow.

Regulatory Policy Committee

Date of issue: 5 June 2019
www.gov.uk/rpc

Regulator: Payment Systems Regulator

Business Impact Target Reporting Period Covered: 21st June 2018 – 20th June 2019

Excluded Category*	Summary of measure(s), including any impact data where available**
<p>Measures certified as being below <i>de minimis</i> (measures with an EANDCB below +/- £5 million)</p>	<p><u>Specific Direction 8</u> PSR gave a specific direction 8 (SD8) to LINK to ensure it does all it can to fulfil its commitments to protect isolated ATMs. The direction requires LINK to fully develop its policies and processes for applying and implementing its public commitments and to provide PSR with monthly reporting on changes to the protected ATM estate and the impact of its policies on the wider ATM network. PSR has assessed the direct impact of SD8 on business to fall within the <i>de minimis</i> threshold.</p> <p><u>Specific Direction 9</u> PSR gave a specific direction 9 (SD9) to Visa to make sure it does all it can to ensure that its participants, service users and other stakeholders are given enough information. This will allow them to take appropriate action if any future incident occurs where Visa's services are unexpectedly unavailable. The direction requires Visa to test its crisis communication plan with its participants yearly, review the effectiveness of those plans following the test and revise the plan accordingly, and ensure the plan is used in the event of any future incident. PSR has assessed the direct impact of SD9 on business to fall within the <i>de minimis</i> threshold.</p> <p>PSR granted extensions to the compliance dates for three specific directions (SD2, SD3 and SD4). PSR has assessed the direct impact of each of the amendments on business to fall within the <i>de minimis</i> threshold.</p>
<p>EU Regulations, Decisions and Directives and other international obligations, including the implementation of the EU Withdrawal Bill and EU Withdrawal Agreement</p>	<p>Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.</p>
<p>Measures certified as concerning EU Withdrawal Bill operability measures</p>	<p>Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.</p>

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Excluded Category*	Summary of measure(s), including any impact data where available**
Pro-competition	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Systemic Financial Risk	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Civil Emergencies	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Fines and Penalties	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Misuse of Drugs	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Measures certified as relating to the safety of tenants, residents and occupants in response to the Grenfell tragedy	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Casework	<p>PSR undertook reporting activity for the regulated payment systems and banks against the applicable General and Specific Directions as well as the Payment Account Regulations 2015.</p> <p>As part of PSR's work on monitoring the new procurement currently underway for the new payments architecture (NPA), PSR set out its expectations for what PAY.UK must achieve in relation to its competitive procurement in an open letter.</p> <p>PSR has been actively monitoring compliance with the Interchange Fee Regulation (IFR) and the parts of the Second EU Payment Services Directive (PSD2) that PSR is responsible for.</p> <p>PSR has continued the work on its first Competition Act 1998 investigation.</p>
Education, communications and promotion	PSR undertook communications and stakeholder management activity as part of fulfilling its role, and in relation to particular projects, including holding stakeholder meetings, workshop and publishing information.

Excluded Category*	Summary of measure(s), including any impact data where available**
Activity related to policy development	<p>PSR has launched a market review into the supply of card-acquiring services. In relation to this work, PSR has undertaken several consultations including on the draft terms of reference and on a series of working papers outlining the proposed methodology; and started gathering evidence and information from a range of stakeholders.</p> <p>PSR undertook other consultations related to policy development. Including consulting on proposed directions for the implementation of Confirmation of Payee followed by a draft specific direction for further consultation.</p> <p>As part of PSR's work on better protecting people from authorised push payment (APP) scams, PSR set up a steering group for the development and delivery of a voluntary industry code for the reimbursement of victims of APP scams. The steering group was comprised of industry and consumer representatives and led by an independent chair appointed by the PSR.</p> <p>PSR undertook policy scoping work in a number of areas, which have not imposed direct costs on business.</p>
Changes to management of regulator	<p>During the reporting period, Hannah Nixon left her post as Managing Director of the PSR. Louise Buckley and Chris Hemsley are jointly acting as Managing Director until a permanent replacement has been appointed.</p>

* For detailed guidance on the exclusion categories, please see <https://www.gov.uk/government/publications/better-regulation-framework>

** Complete the summary box as 'Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.' where this is appropriate.

