

## Questionnaire for Payment Service Providers

Welcome to the Payment Systems Regulator's (PSR) survey of indirect Payment Service Providers (PSPs).

This is an opportunity to share your experience and concerns to help shape the PSR's market reviews of indirect access and infrastructure.

**All information submitted as part of this survey will be treated as commercially confidential in accordance with the requirements of the Financial Services (Banking Reform) Act 2013.** Please note that we will aggregate and anonymise information and will not attribute specific information or comments to named organisations.

The online questionnaire can be saved when it is partially complete to be completed at a later date. Please be aware you will not be able to share partially completed responses between different people within your organisation.

We will only be able to accept responses submitted through the online link; this printable version of the survey is available for your convenience. The questions are numbered for ease of reference.

Thank you.

**1. Please tell us about yourself and your organisation:**

What is your company name?

What is your phone number?

What is your email address?

What was the total UK revenue of your organisation in your last financial year?

What is your role within your organisation?

**2. Which of the following best describes your organisation?**

- Authorised electronic money institution
- Authorised payment institution
- Bank
- Building society
- Credit union
- Independent ATM deployer
- Small electronic money institution
- Small payment institution
- Other (please specify) \_\_\_\_\_

**3. Which of the following payment services does your firm provide?  
(Tick all that apply)**

- Acquirer - Credit, debit and/or prepaid card acquiring
- Issuer - Credit, debit and/or prepaid card issuing
- Money Remittance
- Payment account
- Other (please specify) \_\_\_\_\_

**4.** Do you use any of the following payment systems to provide payment services to your customers, and if so, how do you access them?

<b>System</b>	<b>Direct access</b>	<b>Indirect access</b>	<b>Do not use</b>
Bacs			
CHAPS			
Faster Payments			
Cheque and Credit			
LINK			

If you do not use any of these services you don't need to answer any more questions.

If you have direct access to all these services, just answer questions **65 to 67**.

**5. Who provides you with indirect access to Bacs? (if applicable)**

- Barclays     Co-op     HSBC  
 Lloyds     RBS/NatWest     Santander  
 Other (please specify) \_\_\_\_\_

**6. Tell us about the number of transactions you make and the price that you pay:**

<b>Provider</b>	<b>Number of transactions in this system per year</b>	<b>Average price in pence per transaction (including fixed fees)</b>
<b>Barclays</b>		
<b>Co-op</b>		
<b>HSBC</b>		
<b>Lloyds</b>		
<b>RBS/NatWest</b>		
<b>Santander</b>		
<b>Other</b>		

**7. What are the reasons you chose indirect access to Bacs?**

- Direct access was too expensive  
 Not large enough to justify direct access  
 Prefer indirect access  
 Do not meet the criteria for a Bank of England reserves/settlement account  
 Scheme too difficult or onerous to join  
 Other (please specify) \_\_\_\_\_

**8.** Who provides you with indirect access to CHAPS? (if applicable)

- Barclays     Co-op     HSBC  
 Lloyds     RBS/NatWest     Santander  
 Other (please specify) \_\_\_\_\_

**9.** Tell us about the number of transactions you make and the price that you pay:

<b>Provider</b>	<b>Number of transactions in this system per year</b>	<b>Average price in pence per transaction (including fixed fees)</b>
<b>Barclays</b>		
<b>Co-op</b>		
<b>HSBC</b>		
<b>Lloyds</b>		
<b>RBS/NatWest</b>		
<b>Santander</b>		
<b>Other</b>		

**10.** What are the reasons you chose indirect access to CHAPS?

- Direct access was too expensive  
 Not large enough to justify direct access  
 Prefer indirect access  
 Do not meet the criteria for a Bank of England reserves/settlement account  
 Scheme too difficult or onerous to join  
 Other (please specify) \_\_\_\_\_

**11.** Who provides you with indirect access to Faster Payments?  
(if applicable)

- Barclays     Co-op     HSBC  
 Lloyds     RBS/NatWest     Santander  
 Other (please specify) \_\_\_\_\_

**12.** Tell us about the number of transactions you make and the price that you pay:

<b>Provider</b>	<b>Number of transactions in this system per year</b>	<b>Average price in pence per transaction (including fixed fees)</b>
<b>Barclays</b>		
<b>Co-op</b>		
<b>HSBC</b>		
<b>Lloyds</b>		
<b>RBS/NatWest</b>		
<b>Santander</b>		
<b>Other</b>		

**13.** What are the reasons you chose indirect access to Faster Payments?

- Direct access was too expensive  
 Not large enough to justify direct access  
 Prefer indirect access  
 Do not meet the criteria for a Bank of England reserves/settlement account  
 Scheme too difficult or onerous to join  
 Other (please specify) \_\_\_\_\_

**14.** Who provides you with indirect access to Cheque & Credit?  
(if applicable)

- Barclays     Co-op     HSBC  
 Lloyds     RBS/NatWest     Santander  
 Other (please specify) \_\_\_\_\_

**15.** Tell us about the number of transactions you make and the price that you pay:

<b>Provider</b>	<b>Number of transactions in this system per year</b>	<b>Average price in pence per transaction (including fixed fees)</b>
<b>Barclays</b>		
<b>Co-op</b>		
<b>HSBC</b>		
<b>Lloyds</b>		
<b>RBS/NatWest</b>		
<b>Santander</b>		
<b>Other</b>		

**16.** What are the reasons you chose indirect access to Cheque & Credit?

- Direct access was too expensive  
 Not large enough to justify direct access  
 Prefer indirect access  
 Do not meet the criteria for a Bank of England reserves/settlement account  
 Scheme too difficult or onerous to join  
 Other (please specify) \_\_\_\_\_

**17.** Who provides you with indirect access to LINK? (if applicable)

- Barclays     Co-op     HSBC  
 Lloyds     RBS/NatWest     Santander  
 Other (please specify) \_\_\_\_\_

**18.** Tell us about the number of transactions you make and the price that you pay:

<b>Provider</b>	<b>Number of transactions in this system per year</b>	<b>Average price in pence per transaction (including fixed fees)</b>
<b>Barclays</b>		
<b>Co-op</b>		
<b>HSBC</b>		
<b>Lloyds</b>		
<b>RBS/NatWest</b>		
<b>Santander</b>		
<b>Other</b>		

**19.** What are the reasons you chose indirect access to LINK?

- Direct access was too expensive  
 Not large enough to justify direct access  
 Prefer indirect access  
 Do not meet the criteria for a Bank of England reserves/settlement account  
 Scheme too difficult or onerous to join  
 Other (please specify) \_\_\_\_\_



**20.** To what extent do you think CHAPS, FPS, Bacs and Cheque & Credit compete for different types of payment?

**21.** Have you had any direct interaction with or do you have any knowledge of VocaLink (the central infrastructure provider for Bacs, FPS and LINK)?

Yes     No

**22.** If yes, please list the types of interactions (e.g. service-related, error-reporting or just general enquiries) you have had with VocaLink.

**23.** (If you access any systems indirectly) Does your organisation have one or more sort codes that are unique to your organisation?

Yes     No

**24.** (If no to **23**) Would you prefer to have a unique sort code?

Yes     No

**25.** (If yes to **24**) Why would you like a unique sort code?

**26.** (If you do not meet the criteria for a Bank of England reserves/settlement account for any system) Do you want a Bank of England reserve account?

Yes     No

**27.** (If yes to **26**) Why do you want a Bank of England reserve account?

**28.** (If you access any systems indirectly) Do you provide indirect access to payment systems to any other authorised or registered PSPs?

Yes     No

## Switching and choice of providers

How long have the following provided your indirect access?

<b>Provider</b>	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
<b>29. Barclays</b>				
<b>30. Co-op</b>				
<b>31. HSBC</b>				
<b>32. Lloyds</b>				
<b>33. RBS/NatWest</b>				
<b>34. Santander</b>				
<b>35. Other</b>				

**36.** Have you sought tenders for indirect access services since 2000?

Yes     No

**37.** Have you switched indirect access provider since 2000?

Yes     No

If you've answered **no** to **36 and 37**, go to question **48**.

**38.** (If you've answered **yes** to **36** and **no** to **37**) Why did you seek tenders and ultimately not switch provider?

If you've answered **yes** to **37**, please answer questions **39 to 47**:

**39.** In which year did you last switch indirect access provider? \_\_\_\_\_

**40.** How many providers did you approach? \_\_\_\_\_

**41.** How many providers responded? \_\_\_\_\_

**42.** Who did you switch from?

- Barclays     Co-op     HSBC  
 Lloyds     RBS/NatWest     Santander  
 Other (please specify) \_\_\_\_\_

**43.** Who did you switch to?

- Barclays     Co-op     HSBC  
 Lloyds     RBS/NatWest     Santander  
 Other (please specify) \_\_\_\_\_

**44.** Why did you switch?

- Price  
 Poor quality of previous provider  
 Better offering from new provider  
 Needed own sort code  
 Previous provider terminated access  
 Other (please specify) \_\_\_\_\_

**45.** How would you rate the service that you receive from your new provider against that of the previous provider?

- Significantly better
- Somewhat better
- About the same
- Worse
- Significantly worse

**46.** How long did it take to complete the switch?

- 0-3 months
- 4-6 months
- 7-12 months
- more than 12 months

**47.** What, if any, significant difficulties did you experience in this process?  
(Tick all that apply)

- No significant difficulties
- Inability to transfer cheque sort codes
- Changes to internal business processes
- Technical infrastructure changes
- Adverse customer experience
- Length of time to integrate new provider
- Managing payment issues during the transition
- Other (please specify) \_\_\_\_\_

**48.** (If you've answered **no** to **36 and 37**) Have you ever considered switching provider?

- Yes     No

**49.** Do you think you face any barriers to switching? (Tick all that apply)

- No
- Inability to transfer cheque sort codes
- Changes to technology which are specific to your indirect access provider
- Business disruption
- Required changes to hardware
- Expected or possible adverse customer experience
- Other (please specify) \_\_\_\_\_

**50.** Have you ever had your payment system access terminated by your provider?

- Yes     No

**51.** (If yes to **50**) What reason did your provider give for terminating your access services?

**52.** (If you access Cheque & Credit indirectly AND are unable to transfer cheque sort codes) If the new cheque imaging solution resolves concerns around switching cheque sort codes, would you reconsider your provider of indirect access to cheques?

Yes     No     Maybe

## Quality of indirect access services

Tell us how you rate the indirect access services of your provider for each service you access indirectly.

### Bacs

**53.** What channels do you use to send and receive payments and reporting information? (Tick all that apply)

- Bank online platform
- Host-to-host connection to bank
- SWIFT
- Direct submitter (Bacstel-IP)
- Direct Submitter - Enhanced Transmission Service (ETS)
- Direct Submitter - SWIFTNet Transmission Service (STS)
- Bacs – Approved Bureaux
- Other (please specify) \_\_\_\_\_

**54.** Overall, how do you rate the indirect access offering for this system?

(1-5, 5 being highest) \_\_\_\_\_

**55.** Please give a reason for your rating:



**CHAPS**

**56.** What channels do you use to send and receive payments and reporting information? (Tick all that apply)

- Bank online platform
- Host-to-host connection to bank
- SWIFT
- Other (please specify) \_\_\_\_\_

**57.** Overall, how do you rate the indirect access offering for this system?

(1-5, 5 being highest)\_\_\_\_\_

**58.** Please give a reason for your rating:

### Faster Payments

**59.** What channels do you use to send and receive payments and reporting information? (Tick all that apply)

- Bank online platform
- Host-to-host connection to bank
- SWIFT
- Direct submitter – direct agency
- Direct submitter – Secure IP
- Direct submitter – Enhanced transmission Service (ETS)
- Direct submitter – SWIFTNet FileACT
- Other (please specify) \_\_\_\_\_

**60.** Overall, how do you rate the indirect access offering for this system?  
(1-5, 5 being highest) \_\_\_\_\_

**61.** Please give a reason for your rating:

## Cheque & Credit

**62.** What channels do you use to receive reporting information? (Tick all that apply)

- Bank online platform
- Host-to-host connection to bank
- SWIFT
- Other (please specify) \_\_\_\_\_

**63.** Overall, how do you rate the indirect access offering for this system?

(1-5, 5 being highest) \_\_\_\_\_

**64.** Please give a reason for your rating:

**65.** (If you access LINK, either directly or indirectly)  
How do you connect to LINK?

**66.** How do you rate this service?

(1-5, 5 being highest) \_\_\_\_\_

**67.** Please give a reason for your rating

**68.** Does the way you access payment systems through your provider hinder your customer offering or your ability to innovate?

- Yes - ability to innovate     Yes - customer offering  
 Yes - ability to innovate and customer offering     No

**69.** If you've answered **Yes**, please explain why:

**70.** Do you consider that you have all the internal resources, knowledge and technical capability to provide the customer offering you would like?

Yes     No

**71.** If **no**, which of the following do you lack?

- Resources to manage a 24/7 service
- Technology to integrate with payment systems
- Knowledge of payment systems
- Other (please specify) \_\_\_\_\_

**72.** If **yes**, do you have the capability to offer near-real-time payments to your customers 24 hours a day?

Yes     No

**73.** Would direct access to any of these payment systems suit the needs of your business better than your current arrangements? Please tick any that apply.

Bacs     CHAPS     Faster Payments     Cheque & Credit

**74.** If you ticked Bacs, what would the advantage of direct access be?

- Lower cost of access
- Better security of supply
- Improved service offering to customers
- Better risk management
- Other (please specify) \_\_\_\_\_

**75.** If you ticked CHAPS, what would the advantage of direct access be?

- Lower cost of access
- Better security of supply
- Improved service offering to customers
- Better risk management
- Other (please specify) \_\_\_\_\_

**76.** If you ticked Faster Payments, what would the advantage of direct access be?

- Lower cost of access
- Better security of supply
- Improved service offering to customers
- Better risk management
- Other (please specify) \_\_\_\_\_

**77.** If you ticked Cheque & Credit, what would the advantage of direct access be?

- Lower cost of access
- Better security of supply
- Improved service offering to customers
- Better risk management
- Other (please specify) \_\_\_\_\_

**78.** Do you plan to become a direct member of any of the systems below in the next 3 years?

<b>System</b>	<b>Yes</b>	<b>No</b>	<b>If no, why not?</b>
Bacs			
CHAPS			
Faster Payments			
Cheque & Credit			

**79.** Are you aware that CHAPS settlement will be extended from 16:20 to 18:00 in summer 2016?

Yes     No

**80.** Do you think the recently announced extended settlement day for CHAPS will benefit your customers?

Yes     No     Don't know

**81.** FPS is developing a new direct technical access model<sup>1</sup>, which would offer PSPs access through an aggregator. Do you think direct technical access to FPS would improve your offering to customers?

Yes     No

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<sup>1</sup>FPS Direct Technical Access

**82.** (If no) Why do you think direct technical access to FPS would not improve your offering to customers?

**83.** If this service became available, how likely would you be to use it in the next 3 years?

- Very likely       Quite likely  
 Unlikely       Not thought about it



## Other issues

**84.** In relation to indirect access to interbank payment systems, is there anything not covered in the previous questions which you would like to bring to our attention?

**85.** Are there any indirect access services that you would like to receive from your provider that are not currently available to you? If so, please describe them here.

## VocaLink

**Answer questions 84-95 if you have had direct interaction with or knowledge of VocaLink.** Otherwise, please go to question **96**.

The following questions are related to services provided by VocaLink with regard to its payment **central clearing functions**. VocaLink is owned by some banks. It provides the payment central infrastructure for Bacs, FPS and LINK.

We would like to understand:

- if the quality of service you receive from VocaLink is satisfactory and meets your requirements; and
- if your ability to operate and innovate has ever been affected by the limitations of VocaLink's services. By innovation, we mean your ability to offer new products or services to your customers in the retail market or improve your existing service. For example, this may include developing mobile and other applications to make payments.

Please answer the following question considering only your interaction with VocaLink or gateway services (i.e. not in relation to the interaction you have with your Indirect Access Providers):

**How do you rate the following aspects of service provided by VocaLink? Please base your answers on your understanding of VocaLink’s central clearing services only, not on your experience with your Indirect Access Provider (IAP) or gateway providers.**

<b>86. Bacs</b>	Very satisfied	Fairly satisfied	Neither satisfied nor dissatisfied	Fairly dissatisfied	Very Dissatisfied	Don't know/Not Applicable
Range of service provided						
Quality of service provided						
Amount of innovation (i.e. new functionalities such as transaction monitoring)						
Responsiveness towards request change/upgrade requests						

<b>87. Faster Payments</b>	Very satisfied	Fairly satisfied	Neither satisfied nor dissatisfied	Fairly dissatisfied	Very Dissatisfied	Don't know/Not Applicable
Range of service provided						
Quality of service provided						
Amount of innovation (i.e. new functionalities such as transaction monitoring)						
Responsiveness towards request change/upgrade requests						

<b>88. LINK</b>	Very satisfied	Fairly satisfied	Neither satisfied nor dissatisfied	Fairly dissatisfied	Very Dissatisfied	Don't know/Not Applicable
Range of service provided						
Quality of service provided						
Amount of innovation (i.e. new functionalities such as transaction monitoring)						
Responsiveness towards request change/upgrade requests						

**89.** Please provide any comments you have with regard to your answers above.

**90.** Have you ever encountered a case where your ability to innovate (e.g. developing mobile applications and new applications to make payments) is hampered by the limitations of VocaLink? This should **NOT** include any limitations caused by your IAP (e.g. lack of real-time access or lack of technical support from the IAP).

	Yes	No	Not applicable
Bacs			
FPS			
LINK			

**91.** If you've answered **yes**, please explain your innovation and elaborate on what features of the infrastructure constrained your ability to innovate.

**92.** If there was more than one central infrastructure provider providing **different elements of the same service**, do you think the following aspects would improve or deteriorate?

	Improve significantly	Improve slightly	No change	Deteriorate slightly	Deteriorate significantly	Don't know
Range of services						
Price						
Your choice in the selection of IAPs						
Service quality (e.g. Service Level Agreements, IT security, transaction monitoring)						
Innovation by Vocalink (e.g. development of mobile payments)						
Innovation at indirect participant level (e.g. development of mobile apps, new application to make payments, improved use of data)						

**93.** If there was more than one central infrastructure provider providing **differentiated services**, do you think the following aspects would improve or deteriorate?

	Improve significantly	Improve slightly	No change	Deteriorate slightly	Deteriorate significantly	Don't know
Range of services						
Price						
Your choice in the selection of IAPs						
Service quality (e.g. Service Level Agreements, IT security, transaction monitoring)						
Innovation by Vocalink (e.g. development of mobile payments)						
Innovation at indirect participant level (e.g. development of mobile apps, new application to make payments, improved use of data)						

**94.** To what extent do you agree with the following statement: There is more scope for competition outside of central infrastructure provision (e.g. gateways)?

- Strongly agree
- Agree
- Neither Agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**95.** Currently, VocaLink is owned by some banks, but delivers services to operators who are required to work in the interests of their service users. Do you think that there have been instances in the past where some banks influenced decisions taken by VocaLink to their own advantage rather than to the advantage of the service users?

- Yes     No     Don't know

**96.** If yes, please provide any evidence/give examples of where this happens.



**97.** In your opinion, what are the key factors that may limit the **competition outside** of the central infrastructure provided by VocaLink (e.g. gateways)?

- Technical requirements
- Incumbent advantage (e.g. due to upfront investment/economies of scale/network effect)
- Central infrastructure ownership arrangements
- Other (please specify) \_\_\_\_\_

**98.** Please rank the following parties according to their importance in affecting the level of service you received and your ability to innovate.

Please rank in order of importance, with the most important first.

	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Central Infrastructure Provider (e.g. VocaLink)				
Scheme operators				
Indirect Access Providers				
Gateway providers/third party provider software				

**99.** Please provide any other comments that you think would be relevant for the Infrastructure Market Review.