

## **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 non-qualifying regulatory provision (NQRP) summaries for Regulatory Policy Committee (RPC) assurance. The RPC welcomes the Payment Systems Regulator's voluntary submission of its June to December 2019 NQRP summary for RPC assurance.

The RPC is content that, based on the summary information provided by the regulator, 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 (BIT). 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 covered 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 has reported, in its statement, measures that fall within the following excluded categories: casework; education, communications and promotion; changes to management of regulator; and activity relating to policy development. The Regulator has undertaken reporting activity for the regulated payment systems and banks against the applicable General and Specific Directions as well as the Payment Account Regulations 2015.

The regulator's summary includes a description of each measure. The RPC is content with the regulator's assessment of the measures against the exclusion categories in the present BIT framework and agrees that they are, therefore, non-qualifying regulatory provisions. The summary could be improved by the following:

- 1. Education, communications, and promotion** - The submission would benefit from further clarity by providing detail on which stakeholders were consulted with, to state whether the list is exhaustive and whether the sample was representative. The submission could also benefit from some links being provided to relevant publications to justify this measure falling under the excluded category.
- 2. Activity related to policy work** – The submission states that “PSR undertook policy scoping work in a number of areas, which have not imposed direct costs

on business.” The submission would benefit from expanding upon what policy work was undertaken to justify this measure falling under the excluded category.

**Regulatory Policy Committee**

**Annex A – the following summary was submitted by the Regulator.**

**Non-qualifying Regulatory Provisions Summary**

**Regulator:** Payment Systems Regulator

**Business Impact Target Reporting Period Covered:** 21<sup>st</sup> June – 12<sup>th</sup> December 2019

<b>Excluded Category*</b>	<b>Summary of measure(s), including any impact data where available**</b>
Measures certified as being below <i>de minimis</i> (measures with an EANDCB below +/- £5 million)	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
EU Regulations, Decisions and Directives and other international obligations, including the implementation of the EU Withdrawal Bill and EU Withdrawal Agreement	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Measures certified as concerning EU Withdrawal Bill operability measures	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
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	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.

Excluded Category*	Summary of measure(s), including any impact data where available**
	<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 been actively progressing its IFR enforcement investigations, opened in 2018/2019.</p> <p>PSR has continued work on its first Competition Act 1998 investigation.</p> <p>PSR continued monitoring Pay. UK's procurement of central infrastructure services for the new payments architecture (NPA) to make sure it will achieve the intended benefits.</p> <p>As part of PSR's work on countering authorised push payment (APP) scams, the PSR has been monitoring how the Contingent Reimbursement Model Code, which was devised by an independent group of industry and consumer representatives, has been working in practice, to make sure it's delivering the intended outcomes.</p>
Education, communications and promotion	<p>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. None of the information produced created any new regulatory standards that business will be expected to follow.</p>
Activity related to policy development	<p>In relation to the market review into the supply of card-acquiring services, PSR consulted on its merchant survey questionnaire and its proposed approach to profitability analysis; ran a survey of merchants; and continued gathering evidence and information from a range of stakeholders using a variety of methods.</p> <p>PSR undertook other consultations related to policy development. Including seeking views on its research into cash access, use and acceptance; seeking feedback on its updated Powers and Procedures Guidance; and consulting on its review of Specific Direction 8.</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, Chris Hemsley was appointed as Managing Director of the PSR.</p>