

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Payment Systems Regulator
Consultation response team
25 The North Colonnade
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Dear Sir/Madam,

PSR CP14/1 – A new regulatory framework for payment systems in the UK

This is the Financial Services Consumer Panel's response to the Payment Systems Regulator's consultation on the new regulatory framework for payment systems in the UK.

We welcome the general direction being taken by the PSR.

We agree that long-term priorities for the industry should be determined so the PSR can facilitate the development of new or improved services as soon as possible. However, the history of change in payments systems has thrown up examples of unintended consequences, for example, the badly thought through plan to abolish cheques. It is therefore important that sufficient time is built in to the plans, to ensure that both the technological challenges and what businesses and consumers want and need from payment systems are properly considered.

Fair, reasonable and non-discriminatory direct access to payment systems should be available to all banks and building societies, as well as to other types of provider. Although not a PSR responsibility, it is evident that access to payment services generally requires businesses and individuals to have an account with a bank that is either a direct or indirect member of the main payment operators. Refusal of banking services or forced closure of bank accounts prevents legitimate businesses and consumers from having access to the full range of payment services. This is a particular issue for businesses that want to develop new payments services, and is a barrier to competition. We hope that PSR will consider this issue further in its proposed market reviews.

The Panel looks forward to engaging with the PSR in the future.

Yours faithfully



Sue Lewis
Chair
Financial Services Consumer Panel