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Payments Systems Consultation
Financial Conduct Authority
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3rd April 2014

Dear Sir/Madam

Payment Systems Regulation – Call for inputs

This is the Financial Services Consumer Panel's response to the call for inputs on payments systems regulation.

The Panel believes that delivering good consumer outcomes should be a key focus for the regulation of this area¹.

Secure and reliable payment systems are an essential part of modern banking. The Payments Council has played an important role in driving some development (e.g. introducing payments via mobile telephone numbers) and promoting best practice. However, ultimately the current ownership arrangements and lack of effective regulation have stifled innovation and investment in better service provision.

The Office of Fair Trading (OFT) has provided some useful suggestions to stimulate competition in this area². For example, it suggests that:

- barriers to accessing payment systems should be minimised in order to ensure fair, reasonable and non-discriminatory direct access to existing payment systems is available to all banks and building societies (paragraph 5.17); and
- the parameters, oversight and coordination arrangements for ongoing collaboration are considered (paragraphs 8.13 and 8.14).

We are pleased that its recommendations have been incorporated into the call for input document. We would advise the Financial Conduct Authority to continue to engage with the Competition and Markets Authority and utilise the knowledge it has in this area.

We look forward to providing further detailed input as part of the formal consultation process later in the year.

Sincerely,



Sue Lewis
Chair - Financial Services Consumer Panel

¹ <http://www.fs-cp.org.uk/publications/pdf/CP%20Response%20to%20the%20Opening%20Up%20UK%20Payments%20Consultati on20130617.pdf>

² http://www.oft.gov.uk/shared_of/market-work/OFT1498.pdf