

Payments Strategy Forum Q&A

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What is the Forum?

The Payments Strategy Forum (The Forum) is an opportunity for the Payment Systems Regulator (PSR), payments industry and representatives of those that use payment systems to work together in partnership to drive collaborative innovation in payment systems for the benefit of users.

The Forum will have an independent chair and around 20 members, reflecting the diversity of the payments sector. It will engage with a wider payments community, open to all parties interested in payments systems.

What will it do?

The Forum will lead an ongoing process to identify, prioritise and develop initiatives where industry can work together to promote innovation for the benefit of those who use payment systems. It will also hold the industry to account by transparently reporting on progress.

The Forum will meet up to six times per year supported by working groups, where necessary, to undertake further detailed work as required. The PSR will actively support the chair and wider Forum, and will provide secretariat functions to support the Forum's work, for example, managing the Forum's stakeholder engagement and commissioning analysis.

What will the Forum focus on?

The Forum will focus on areas where the industry needs to work together to deliver innovation for the benefit of the people and organisations that use payment systems.

Its focus will be determined by Forum members and issues raised by people and organisations in the payments community. The Forum will also consider developments that the industry already has underway, for example, Payments UK's World Class Payments project.

What is the payments community?

The payments community will include all people and organisations with an interest in collaborative innovation in payment systems. It will be a flexible way for interested individuals or organisations to shape the Forum's work. It will help ensure that the Forum has a comprehensive picture of the payments industry and emerging payments issues. The payments community will take into account the interests of all interested and effected parties, whether members of the Forum or not. We are currently engaging with them to develop the payments community.

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Q&A

Why is the Forum being established?

We are creating the Forum to help us further our statutory objectives.

As an economic regulator, we are particularly focussed on removing barriers to entry, competition and innovation in payments systems that may not be in the interest of users. An example is where innovation can only be achieved by major payment service providers working together, but where the incentives for them to do so are weak. This means that such innovation may not happen, even though payment service providers and users could strongly benefit.

The PSR's consultation also confirmed that while the payments industry has worked together effectively in some respects, it has also had difficulty in agreeing collaborative initiatives and driving forward change. Particular concerns included the level of user involvement and the effectiveness of joint decision making.

These factors may have slowed the pace of innovation in UK payment systems, and this may have impeded the development of new payment services for consumers and other service-users.

Is the Forum relevant to the PSR's competition objective?

Yes. When the industry works together to develop new or existing payment systems this should also help downstream competition between payment service providers to the benefit of end-users. An example is PayM, which allows individuals to pay each other using a mobile number instead of other payment details. A number of competing banks and building societies developed this together. It provides a platform on which participating banks and building societies can develop competing mobile payment propositions which add to their overall service to customers.

Who will implement and fund the Forum's initiatives?

Within the scope of the Forum, initiatives with the greatest net benefit to users will be pursued. This will also help ensure their financial viability and funding. Delivery of the Forum's initiatives will follow best practice and competitive processes.

What if the Forum's initiatives aren't agreed or adopted?

The Forum will design a selection mechanism to ensure that the Forum only pursues initiatives that have a substantial net benefit to users, based on transparent evidence-based cost benefit analysis. Applying a rigorous approach will help to achieve the buy in from Forum members and wider stakeholders that such initiatives should be progressed.

If we believe the Forum process is ineffective, or if industry delivery of agreed priorities is too slow, we may take action.

How will the industry's existing strategic projects interact with the Forum?

Once set up, the Forum will take the lead in developing collaborative initiatives to deliver payment system innovation for the benefit of users. This was previously a role undertaken by Payments UK (formerly the Payments Council).

In the meantime, the PSR will continue to support and work closely with Payments UK, especially the World Class Payments project. The Forum will also develop its workplan and proposed initiatives in a way that builds on considers the World Class Payments projects.

How do I get involved?

If you would like more information about, or are interested in participating in the payments community, please e-mail

Forum@psr.org.uk