



BANK OF ENGLAND

News release

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Payment Systems Oversight Report

The Bank of England is today publishing its fourth Payment Systems Oversight Report (see link below). The Oversight Report is an important element of the Bank's oversight work, increasing transparency about the performance of the systems and acting as a tool to encourage further progress. The report describes the challenges presented to the key UK payment systems over the past year and explains the focus of the Bank's work in this field.

In recent years, considerable progress has been made by UK payment systems in meeting the internationally recognised Core Principles*, and today's report makes clear that those high standards are being maintained. During 2007 there have been a number of incidents across systems, but in each case normal operations were resumed quickly preventing wider market impact, and measures have since been implemented to further strengthen resilience.

The report also notes that the period of market turbulence since Summer 2007 provided a test of the payment systems infrastructure, with unprecedented volumes of transactions being processed. The report concludes that the UK payment systems generally coped well with these additional pressures, though the events have highlighted some areas where further attention could be warranted, including the need for systems, and their members, to stress test against more demanding targets in the future. The events have also shown the need for greater co-ordination in contingency planning between different parts of the infrastructure, something the Bank continues to support.

Notes to Editors

As an annual publication, the Bank uses the Oversight Report as a means of explaining how it is discharging its non-statutory public policy responsibilities for oversight, as part of its broader mandate for financial stability.

A consultation on the framework for the oversight of payment systems was launched in January 2008, as part of a wider consultation on reforms to the framework for financial stability and depositor protection (www.bankofengland.co.uk/publications/other/financialstability/consultations.htm).

* The Core Principles for Systemically Important Payment Systems are a set of ten standards agreed among central bank overseers and published back in 2001 (www.bis.org/publ/cpss43.pdf). They focus on the controls that payment systems should have in place in order to minimise a variety of risks inherent in payment systems.

Payment Systems Oversight Report 2007 - Issue No 4, February 2008

<http://www.bankofengland.co.uk/publications/Documents/psor/psor2007.pdf>

Annexes to Payment Systems Oversight Report 2007 - Detailed assessments of payment systems

Issue No 4, February 2008

<http://www.bankofengland.co.uk/publications/Documents/psor/psorannex2007.pdf>