

DELIVERY PLAN ANNOUNCED FOR THE CONSOLIDATION OF THE OPERATORS OF BACS, FASTER PAYMENTS SERVICE AND CHEQUE AND CREDIT CLEARING

A [new report](#) published today sets out a recommended delivery plan for the consolidation of the operators of three payment systems: [Bacs Payment Schemes Ltd](#) (BPSL), [Cheque and Credit Clearing Company](#) (C&CCC) and the [Faster Payments Scheme Ltd](#) (FPSL). These payment systems support people and businesses in the UK moving money between bank accounts.

The consolidation aims to further develop the capability and capacity of the operators by bringing them within a single organisation and reduces the complexity and costs of having three separate retail payment system operators (PSOs).

This single entity would also become responsible for taking forward the next stage of the development of the [New Payments Architecture](#) (NPA), an industry-led initiative that aims to increase competition and resilience as well as enhance innovation across the payments and banking industry.

Today's plan was created by the Payment System Operator Delivery Group, an independently chaired body set up by the Payment Systems Regulator (PSR) and the Bank of England. The plan now needs to be reviewed and agreed by the boards of the three operators.

Robert Stansbury, Independent Chair of the Payment System Operator Delivery Group, said:

“We have made significant headway towards redefining the way in which the three PSOs will operate in the future. A single consolidated PSO would simplify access to, and the governance of, payment systems, helping to drive innovation and competition across the UK industry.

“But while good progress has been made, support from across the industry is vital and significant collaborative work still needs to be done if the plan is to be delivered successfully and the benefits of the consolidation unlocked.”

The PSR and the Bank of England [reviewed the Delivery Group's report](#) before publication from the perspective of their respective objectives and duties.



Hannah Nixon, Managing Director of the PSR, said:

“It was the work of the Payments Strategy Forum that identified the opportunity presented by consolidating these payment system operators. Working to a tight deadline, the Delivery Group has produced a high quality report that sets out a compelling approach to deliver the new PSO which should support the Forum’s vision.

“The consolidation would be an important first step towards a generational change in UK payments. It can help facilitate the safe and secure transition to, and management of, a New Payments Architecture (NPA), which we believe could deliver more dynamic competition and innovation in payments. Consumers will also benefit from new entrants coming into the market and offering users of payment services new, innovative products.”

David Bailey, Director, Financial Market Infrastructure, at the Bank of England, said:

“The Delivery Group’s report sets out a clear plan on the key issues relating to the consolidation of the three payment system operators.

“Consolidation has the potential to deliver important financial stability benefits, including by delivering a new entity that is greater than the sum of its constituent parts and well placed to meet the high supervisory expectations the Bank has of a systemic risk manager. As such, we welcome the report, and look forward to seeing its recommendations taken forward in a way which promotes an orderly and smooth transition.”

Next steps

Following the development of the Delivery Group’s plan, the Bank of England and the PSR have refreshed the Group’s [terms of reference](#) to reflect the work required during the next stage of the consolidation process. The Group will now be responsible for overseeing work to incorporate and establish the new PSO.

The Delivery Group is now asking the boards of the three PSOs that are to be consolidated to review and endorse the Group’s plan and what needs to be delivered, before it can be implemented. The target remains for the consolidation to be substantially completed by the end of 2017.



Notes to editors

- 1) The PSR and the Bank proposed the creation of the PSO Delivery Group at the 21 September meeting of the Payments Strategy Forum.
- 2) The members of the PSO Delivery Group are:
 - Robert Stansbury, *Independent chair*
 - David Rigney, *Bacs*
 - Jane Bevis, *C&CC*
 - Nick Caplan, *FPS*
 - Russell Saunders, *Payments Strategy Forum (representing large PSPs)*
 - Becky Clements, *Payments Strategy Forum (representing small PSPs)*
 - Faith Reynolds, *Forum Payments Strategy Forum (representing end users)*

The Payment Systems Regulator

The PSR was incorporated on 1 April 2014 and became fully operational on 1 April 2015.

The PSR has three statutory objectives: to promote effective competition in the markets for payment systems and for services provided by those systems, including between operators, payment service providers and also infrastructure providers, in the interest of service-users; to promote the development of innovation in payment systems, in particular the infrastructure used to operate payment systems, in the interest of service-users; and to ensure that payment systems are operated and developed in a way that considers and promotes the interests of service-users.

The PSR is the regulator and concurrent competition authority for payment systems in the UK and all participants in those payment systems (payment service providers, operators and infrastructure providers to those payment systems).

[The PSR website.](#)

The Bank of England

The Bank of England's objectives include an objective to protect and enhance the stability of the financial system of the United Kingdom. As part of this, the Bank is responsible for the supervision of payment systems that are recognised by HM Treasury in accordance with section 184 of the Banking Act 2009.

The [Bank of England website](#) includes information on its approach to the supervision of financial market infrastructures, including recognised payment systems.

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