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Payments Strategy Forum
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By email: Forum@psr.org.uk

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Dear Sir / Madam

Financial Services Consumer Panel response to Payment Strategy Forum's 'Blueprint for the Future of UK Payments - A Consultation Paper'

The Financial Services Consumer Panel is an independent statutory body. We represent the interests of individual and small business consumers in the development of policy and regulation of financial services in the UK.

The Panel welcomes the opportunity to respond to the Payment Strategy Forum's 'Blueprint for the Future of UK Payments'. Much of the consultation is not of direct relevance to the Panel, so we have set out a few high-level points.

The Panel welcomes the emphasis placed on meeting End-User Needs (EUNs) and the nine End-User Needs Principles.

We acknowledge that 'Request to Pay' and 'Confirmation of Payee' make sense as overlay services. This will enable new services to be developed in future in response to emerging end user needs. Of the two options for the Payment Strategy Forum to implement 'Confirmation of Payee', we prefer a yes/no response to a query as to whether the payee account details held by the receiving bank match the payee account details entered by the payer. This is simpler than the receiving bank sending the paying bank details of the account holder for a particular account/sort code combination and asking the payer to decide if they are paying the correct person/organisation. It also avoids potential data protection/privacy issues.

While we support confirmation of payee, we are concerned that rollout may be significantly delayed if it is linked to the New Payments Architecture. We encourage banks to implement confirmation of payee via the current payments architecture, particularly Faster Payments.

There is a suggestion on page 73 of the consultation that payments system data could be used to identify benefit fraud. The Panel believes strongly that payment transmission systems should be neutral between different types of end user, and that this proposal should be withdrawn.

Finally, the Panel welcomes the Payment Strategy Forum's cost-benefit analyses of a range of options, not just the preferred solution. This is good practice and other organisations should follow suit.

Yours faithfully,

Sue Lewis
Chair, Financial Services Consumer Panel