



Treasury Committee

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Chris Hemsley
Managing Director
Payment Systems Regulator
Via email

20 June 2022

Dear Chris,

Work of the PSR session follow-up

Thank you to you and Charles for appearing before the Committee on 25 May 2022. We would be grateful if you could respond to the following questions, some of which Members asked you to respond to in writing during the session (as indicated by *).

Card payment fees

1. In your oral evidence you noted that the PSR is undertaking a piece of work investigating card scheme and interchange fees (Q6), although you were unable to provide a timeframe for completion. Could you set out for the Committee any initial findings from this work, and what direction you expect the investigation to take? How are you going to provide updates on this work, and how regularly?
- Is the PSR considering an interim cap on card scheme fees or cross-border interchange fees while the investigation is ongoing? If so, what sort of timeframe can we expect for a decision on the cap?
- * In your oral evidence, you told us that the PSR had responded to the British Retail Consortium in writing regarding their complaint about “the recent surge in [UK payment card] scheme fees and other charges for processing credit and debit cards”¹ which they raised with you back in 2017 (Q18-20). Could you please provide the Committee with a copy of that response?

New payments architecture

2. * In oral evidence, you described the role of the new payments architecture (Q77) and noted that improvements had been made by Pay.UK, the organisation responsible for its delivery (Q79). Can you please provide the Committee with details on when the programme is expected to be delivered and whether any challenges exist in the programme’s delivery going forward? (Q80)

¹ <https://committees.parliament.uk/writtenevidence/108300/pdf/>

Resourcing

3. In oral evidence, you identified recruiting from a tight market as a challenge (Q36). Does the PSR have sufficient resource and expertise across the organisation to fulfil its objectives and manage its various projects?
 - What approach do you take to fill more specialist roles where it might be more challenging to attract the right expertise?

I shall be placing this letter and your response in the public domain. I would be grateful for a reply by Monday 4 July.

With best wishes,



Rt Hon. Mel Stride MP
Chair of the Treasury Committee