



# Sub-Committee on Financial Services Regulations

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Chris Hemsley  
Managing Director  
Payment Systems Regulator

Via email

25 January 2023

Dear Chris,

## Authorised Push Payment Fraud

Thank you for giving evidence to the Treasury Sub-Committee on Financial Services Regulations on 13 December 2022. Following on from that session and your letter dated 9 January 2023, I would be grateful if you could please answer these questions regarding your [‘Authorised push payment \(APP\) scams: Requiring reimbursement’](#) consultation:

1. What analysis did you undertake to determine that the £100 threshold for reimbursement was the appropriate level?
2. In your consultation you point to the analogous £100 minimum threshold applied to protections under section 75 of the Consumer Credit Act 1974. How effective is that threshold at achieving its objectives?
3. Has the PSR conducted any distributional research into the income levels of victims who lose less than £100 to APP scams? To what extent are those victims able to absorb these losses?
4. The PSR’s rationale for imposing a £100 minimum for reimbursement is to encourage consumers to take ‘sufficient care’<sup>1</sup>. Do you have evidence that people who lose larger amounts have taken more care than those subject to smaller losses?
5. Did you consider other approaches to promoting consumer caution?
6. What was the rationale for proposing a £35 excess for reimbursement payments? Why should someone found to have been defrauded not be reimbursed in full?
7. How do you intend to measure whether the gross negligence exception is being applied fairly and consistently across the industry?
8. Do you expect Pay.UK rules to define “gross negligence”?
9. Do you have a target reimbursement rate you expect PSPs to achieve?

In line with the Committee’s usual practice, I will be placing this letter and your response in the public domain. I would be grateful for a reply by 9 February 2023.

With best wishes,

**Harriett Baldwin MP**  
**Chair of the Treasury Sub-Committee on Financial Services Regulations**

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<sup>1</sup> Payment Systems Regulator, Follow up letter to the Treasury Sub-Committee on Financial Services Regulations, 9 January 2023