



Treasury Committee

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Chris Hemsley
Managing Director
Payment Systems Regulator
Via email

11 March 2022

Dear Chris,

Card Payment Fees

Thank you for your letter of 11 February 2022. We would be grateful for some points of clarification.

- In your letter you state that the PSR is “also taking forward a separate piece of work to examine the basis for card scheme fees and cross-border interchange fees, more broadly” and that this “work will consider the range of tools available to us to protect users and consider whether interim measures, such as caps for scheme fees or cross-border interchange fees, might be appropriate”. What are the terms of reference for this work; and when does the PSR aim to publish its findings from this work?
- Can the PSR indicate what sort of threshold might need to be reached in order for it to take swift action to put in place “shorter-term measures” which you referred to in your letter of 17 December?
- The letter also states that the PSR is considering how the current Interchange Fee Regulation (IFR) could be adapted to best serve the UK economy, including to reflect the UK’s new position outside of the EU, and what powers the PSR needs to achieve this. When will these findings be made publicly available? What discussions has the PSR had with the Treasury about reducing the level of domestic interchange fees so far, and what has been the outcome?

In line with its usual practice, I expect that the Committee would publish this letter, and in due course, your response. We would be grateful for a response by 25 March.

Best wishes,

Rt Hon. Mel Stride MP
Chair, Treasury Select Committee