

Speech by Ruth Evans, Chair of the Payments Strategy Forum, at the handover event on 11 December 2017 in London

This is the text of the speech as drafted and may differ from the delivered version

INTRODUCTION

Good afternoon everyone! Welcome to our session to mark the completion and handover of our Blueprint.

This is our fourth and final event. Many of you will have joined us at the first in September 2015. Each event has been incredibly well attended. I believe we have over 200 here today. This is testament to the scale and importance of our work to all users of payments.

We have a great agenda today and I hope you will find it both enjoyable and informative. If you want to share your views on twitter we have created the very catchy hash tag –‘PSF Blueprint’ – all one word. So please tweet away!

We've split the afternoon into two parts. The first part will be an opportunity for the PSR, the Bank of England and the Treasury to share their views on our Blueprint. Throughout the Forum has recognised the importance of their views and we have ensured a constructive dialogue over the last two years. I look forward to hearing from Hannah, David and Gwyneth over the next 30 minutes or so.

In the second part, the Forum will update you on the Blueprint and our last consultation on this. We will then hear from the CEO's of the NPSO and UK Finance who will discuss how our work will be taken forward over the coming years. Finally, there will also be an opportunity for you to ask questions.

THE FORUM AND THE PAYMENTS COMMUNITY

As you all know, I was brought in by the PSR as an independent Chair with no links to the Financial Services industry. It's been a steep learning curve for me but one of the successes of the Forum is how we have all learnt from each another. As ex Forum member Philip McHugh used to say, if anyone tells you they know everything about payments, they're lying!

This Forum is unique. We were established so that all parts of the payments sector and beyond, could come together as equal voices to plan the future of the UK's Payment Systems.

Yet alongside this and very importantly the Forum agreed at the outset that the voice of the end-user will be at the heart of our work.

I am really pleased to say we have accomplished that.

I understand our structure and stakeholder engagement approach is being adopted by other countries (Canada; Australia, the U.S.). And it is an approach that the Forum fully expects the NSPO and UK Finance to continue.

We were also established to address the issue of the slow pace of change in the transformation of payments in the UK. We have met two milestones many argued would be impossible.

First, our strategy was developed and published in just over a year. And second, we have now developed our Blueprint to similar timeframes. But if any of you have been under the fiery gaze of Dora and Dave will know that not meeting these deadlines was not an option.

I also should say that we were lucky enough to have the passion and expertise of the individual Forum members: a winning combination indeed!

But most importantly we have met these timeframes and delivered such high quality work because of the involvement of you the Payments Community (over 645 individuals, representing 360 organisations.)

We all recognise you have done the real hard graft. You are the individuals who have provided the invaluable resource, expertise and enthusiasm to bring us to this key milestone.

You have all been involved. Either through joining working groups, attending roundtables or responding to consultations.

Businesses have worked with consumers, large banks have worked with their challengers, and the industry has worked with the regulators.

This represents a phenomenal level of collaboration and commitment from the entire payments industry.

THE CONSULTATION

So I now want to take the opportunity to discuss some key points from the consultation and, hopefully, dispel some myths.

The consultation has demonstrated widespread support for the direction of travel and identified areas that you feel need further analysis or explanation.

I have heard feedback from some that the consultation was a tick box exercise and the usual suspects are railroading the Blueprint through. This could not be further from the truth.

Firstly, as anyone who has worked with the less traditional members of the Forum will attest, these are individuals who won't be railroaded by anyone!

Secondly, all of your feedback has been comprehensively assessed and deliberated upon by the Forum. All of the responses are available on our website and we have published a report, a sub set of which was handed out today, that demonstrates how we have reacted to what you told us.

So, what did you tell us?

At the start of our work we heard that consumers and businesses need:

- greater control,
- more confidence when making a payment
- a reduction in the impacts of financial crime and;
- the ability to send and receive more information.

The last consultation reinforced these needs.

It also, importantly, demonstrates your support for existing payment methods. I would like to take this opportunity to reassure you that the Forum fully recognizes how essential and important Direct Debit is to users and to the economy as a whole.

Many of you were concerned that Request to Pay has been developed to replace Direct Debit.

This is emphatically not the case.

We envisage it being a complementary product to meet the evolving needs of society, where existing products might not be perfect.

We do recognize further work needs to be done to explain how Direct Debits will work in the new world. Our analysis to date suggests this is entirely feasible. This is something that the NPSO will be engaging with you all on going forward.

You told us you admire our ambition and our vision.

- That creating an environment that is able to deliver greater competition and innovation is key.
- That standing still is not an option.

But that change must be delivered safely and reliably.

THE BLUEPRINT

We have ensured that these concerns are embodied in a Blueprint that sets out a design and implementation approach for a new architecture for payments.

This architecture will allow:

- existing products to continue
- for exciting solutions such as Request to Pay and Confirmation Payee to emerge to meet the needs of users today
- and be flexible enough to meet the needs of tomorrow we can't even envisage today.

The central tenet is an architecture for a new system based on a layered approach.

It will be underpinned by a single set of standards and rules, strong central governance provided by the NPSO, and common international messaging standards.

As the Bank of England will remind us, stability and resilience are absolutely key design principles.

I often think one of the great successes of the Forum is that it has given industry the space to think strategically, rather than just reacting to the immediate problem and being thrown solutions not of its their own making. This has allowed industry to take ownership of the issues at stake and to come up with answers with widespread support and will work.

To that end, our Blueprint retains what users like about payment systems today but also leverages and aligns the design with various industry initiatives taking place – Open Banking, PSD2 and RTGS renewal to name just three.

NEXT STEPS

Do not underestimate the importance of this work. It signifies a historic opportunity to deliver a next generation payments system.

Implementation will lead to simpler access, more competition, greater innovation, increased adaptability and reduced financial crime.

We are immensely proud of this achievement. Our work is now done but.....there is a major caveat in saying all this....

I am speaking from a personal perspective now, but also, I believe, on behalf of all the members of the Forum when I say that, just as this Blueprint was not easily won so it can be easily lost.

The single most important message I can now give is for you to keep the momentum of the last two years. The industry cannot stand still. This is a once in a lifetime opportunity.

And, finally, I want to see you, the Payments Community, grow, flourish, and stay active and engaged.

It is now over to NPSO and UK Finance to do this on our behalf. We very much look forward to hearing from Stephen and Paul on their plans today. We wish them success in translating our vision into reality.

I will now hand over to Hannah.