**LYDDON CONSULTING SERVICES LIMITED**

**UK Finance Report – "Future-ready payments 2030: a dynamic, purposeful and united agenda for the UK", February 2021**

This is a comparison table between three reports based on their recommendations:
1. UK Finance's "Future-ready payments 2030: a dynamic, purposeful and united agenda for the UK", of February 2021;
2. The Payment Strategy Forum's "A Payments Strategy for the 21st century: putting the needs of users first", of November 2016;
3. Payments UK's "World Class Payments in the UK: enhancing the payments experience", of August 2105.

The first aim was to map the streams in UK Finance's report back to the other two reports, to see how much was original. The anchor is the 24 Recommendation in UK Finance's report, and these are measured against:
- Figure 3 "Our Solutions" on page 8 of Payment Strategy Forum's "A Payments Strategy for the 21st century: putting the needs of users first", of November 2016;
- The capabilities depicted on pages 10-11 of Payments UK's "World Class Payments in the UK: enhancing the payments experience", of August 2015.

The second aim was to derive what elements in the other two reports are missing, either completely, or because of an assumption (stated or unstated) that they either exist now or will exist by 2030 thanks to work-in-progress such as New Payments Architecture (NPA, or the SPP as it was called in the Payment Strategy Forum's report).

Where such an assumption exists, that is either **stated in red** or else the **stream name from the preceding report is written in red**.

A two-letter Key has been inserted against each of the Recommendations in the UK Finance report:
BO = Back Office (will not result in a new service or function for end-users)
CW = Committee Work
ES = Existing Stream
ND = No Deliverable

Especially contentious wording has been **highlighted in blue**.

Lastly, leading questions are asked about four streams, and **these questions are written in green**.

| Subject | Key | Future-ready payments | A Payments Strategy | World Class Payments |
|---|---|---|---|---|
| Access to cash - "widely and freely available for those **personal** customers that continue to **need** it" | ES | Access to cash | | |
| Supporting customers – "Explore potential customer journeys" | ND | Supporting customers | | **Real-time payments 24x7; Real-time balances; Request to Pay; Visibility of the payment journey** |
| Innovative market – "actively enable new **digital** services" | ND | Innovative market | | |
| Regulatory leadership – regulators to provide leadership and coordination" | ND | Regulatory leadership | | |
| Enhanced protection for business models and journeys, and **funding** | CW | Review consumer protection **Axe the CRM Code?** | | **Confirmation of Payee** |
| Customer education on protections | ND | Raise awareness | Customer awareness and education | |
| Tracking international markets for accelerators and benefits | CW | Ongoing modelling | Horizon Scanning | |
| Promoting customer access to digital payments | ND | Access to digital payments | | **Real-time payments 24x7** |
| Support existing initiatives and research on digital inclusion | ES | Digital inclusion | | |
| Working with UK Finance members and Innovate Finance for interoperability | CW | Industry and government collaboration | | |
| Enhance and adjust SCA to reduce digital fraud | CW | Industry SCA development | | |
| Mechanisms to improve sharing of data to address economic crime | BO | Information sharing | Guidelines for Identity Verification, Authentication and Risk Assessment; Payment Transaction Data Sharing and Risk Analytics; Financial Crime Intelligence Sharing; Trusted KYC Data Sharing; Enhancement of Sanctions Data Quality | Cross-industry sharing of identity and fraud information |

| Subject | Key | Future-ready payments | A Payments Strategy | World Class Payments |
|---|---|---|---|---|
| Taking funds in suspended accounts and using them to address economic crime | BO | Unblocking frozen funds<br>**..and using them to fund CRM Code payouts instead of committing the PSP's own money?** | | |
| Supporting global initiatives to enhance cross-border liquidity management | BO | Global liquidity optimisation | | |
| Liquidity efficiency in the UK's renewed payment systems | BO | UK infrastructure optimisation | Accessible Settlement Account Options | Flexible Settlement |
| Development and governance of standards across payments, cards and Open Banking | BO | Improved standards governance | Moving the UK to a Common Message Standard | Common Standards |
| Moving cards onto ISO20022 XML | BO | ISO20022 adoption | Moving the UK to a Common Message Standard | Common Standards |
| Ensure Open Banking standards trajectory is in line with ISO20022 adoption | BO | Open Banking alignment | Moving the UK to a Common Message Standard | Common Standards |
| Keeping the UK in the Single Euro Payments Area | ES | SEPA Access<br>**Were the benefits and risks of this discussed with government in the Brexit process?** | | |
| UK payments market infrastructures to continue to offer modern technology methods of accessing services | ES | Interoperability and Access | Access to Sort Codes; Aggregator Access; Common PSO Participation Model and Rules; Common Messaging Standards, Open Access APIs and API Governance [SPP]; A simplified delivery mechanism [SPP] | Common Access to Payments Infrastructures |
| Collaborate with other stakeholders on possible introduction of a Central Bank Digital Currency | CW | Central Bank Digital Currency | | |
| Regulatory Initiatives Forum to continue to develop the Regulatory Initiatives Grid | ES | Co-ordination | | |

| Subject | Key | Future-ready payments | A Payments Strategy | World Class Payments |
|---|---|---|---|---|
| Government to extend the FRF review scope to **payment regulators** for transparency, scrutiny and accountability | ND | Coherence | | |
| Coherent and future-proofed framework to subject the same activities and risks to the same regulation and protection, whatever type of PSP providers the payment service | CW | Consistency **Taking aim at eMoney and Payment Institutions and at Third-Party Providers?** | | |
| **Streams not mentioned in Future-ready payments** | | | | |
| All PSPs to support payments in real-time and 24x7 | -- | **Assumed to exist now and not in 2030** | | Real-time payments 24x7 |
| Confirm the intended recipient's name | -- | **Assumed to exist now and not in 2030** | Assurance Data | Confirmation of Payee |
| Move control over the outgoing payment from the payee to the payer | -- | **Assumed to exist now and not in 2030** | Request to Pay | Request to Pay |
| Traceability and positive confirmation of where the payment is on the payment journey | -- | **Assumed to exist now and not in 2030** | | Visibility of the payment journey |
| Addition of relevant extra information, accessible within the payment message or via a link in it | -- | **Assumed to exist now and not in 2030** | Enhanced data | Enhanced data relating to payments |
| Simplified model and rules for access to payment systems for PSPs | -- | **Assumed to exist now and not in 2030** | Establishing a Single Entity **(i.e. Pay.uk)** | Efficient governance |
| CASS to keep pace with customer expectations | -- | **Assumed to exist now and not in 2030** | | Switching accounts |
| Ensure existing payment methods are accessible via any new standards | -- | **Assumed to exist now and not in 2030** | | Payment services co-existence |
| Real-time balance information available to customers by improving how transactions are applied to accounts | -- | **Assumed to exist now and not in 2030** | | Real-time balances |
| Enabling eMoney and Payment Institutions to gain access to payment systems | -- | | Indirect Access Liability Models | |
| Adopt a layered architecture for NPA, as exemplified by the European Payments Council's market model for SEPA | -- | **Assumed to exist now and not in 2030 in NPA** | A Layered Model for Payments Processing [SPP] | |
| NPA's architecture should have a core clearing and settlement layer based on Faster Payments, with other services sitting on top as "Overlay Services" | -- | **Assumed to exist now and not in 2030 in NPA** | Overlay Services [SPP] | |