

Memo



26 April 2016

Direct Line 020 3217 8276

Stuart.Cole@chequeandcredit.co.uk

iamr@psr.org.uk

Payment Systems Regulator
Indirect Access Market Review Team
25 The North Colonnade
Canary Wharf
London E14 5HS

PSR MARKET REVIEW INTO THE SUPPLY OF INDIRECT ACCESS TO PAYMENT SYSTEMS

The Cheque and Credit Clearing Company welcome the opportunity to respond to the Payment Systems Regulator's interim report on "Market review into the supply of indirect access to payment systems".

Background

The Cheque and Credit Clearing Company (C&CCC) was established in 1985 and from that time until the present day it is proud of its record in:

- providing members with the central payment system services for the exchange and settlement of cheques and credits;
- managing the operational processes of the central payment system services;
- delivering innovation, such as the current Future Clearing Model (FCM) programme, which will bring the cheque into the digital age via the implementation of an image-based cheque clearing process in the UK;
- determining the rules, standards, and procedures required to maintain the integrity of the clearings, including the criteria for joining the clearings and ensuring compliance with those rules;
- engaging with the full range of stakeholders which includes consumers and businesses that use cheques, banks that offer cheque clearing services, cheque processors, cheque printers and other suppliers, as well as regulators, trade associations and other payment schemes;

2 Thomas More Square
London E1W 1YN
T 020 3217 8200
www.chequeandcredit.co.uk

MEMBER CIRCULATION

- managing the cheque printer accreditation scheme (CPAS).

Our Objectives are to:

- ensure that cheques and credits remain a viable, secure and efficient choice of payment for all users, so we will;
- promote innovation and competition in payment choice by driving improvements in processing, service and efficiency;
- provide a trusted centre of excellence for anyone with an interest in cheques or credits.

C&CCC Response

C&CCC would like to respond to this consultation in a broad manner. We are committed to enabling as much open access to the cheque clearing system as is possible within the legal and regulatory framework. As you say in your interim findings, the Image Clearing System (ICS) will improve the ability of IPSPs to change their IAP, but it will also enable:

- Sort-code portability allowing IPSPs to change IAPs without incurring the cost and operational difficulties of changing their sort code to their new provider;
- Set a minimum level for service provision allowing IAPs to set their own service offering to IPSPs thereby encouraging competition and innovation between IAPs;
- Offering different types of participation so that PSPs may participate as processing and or settlement participants enabling choice based upon capabilities;
- Within the legal and regulatory framework, where possible enable non-banks to participate in the ICS;
- Increasing scheme transparency by publishing the processing costs for items through the ICS which are common to all participants irrespective of volumes processed;
- Enabling any PSP to use some central functions (image archive and fraud detection) to reduce to cost of development of their own, and enable IPSPs to change IAP without the loss of their historic data;
- Hosting 15 IPSP workshops to enable IPSP to have the same knowledge of the ICS as their IAPs; and
- Developing the ICS that is ISO20022 compliant enabling greater commonality of messaging in all PSPs.