

18 April 2016

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Dear Sirs

## **PSR INTERIM REPORT MR15/2.2: MARKET REVIEW INTO OWNERSHIP AND COMPETITIVENESS OF INFRASTRUCTURE PROVISIONS**

The Cheque and Credit Clearing Company welcome the opportunity to respond to the Payment Systems Regulator's interim report on "Market review into the ownership and competitiveness of infrastructure provisions".

### **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;
- 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**

Despite the review being based on infrastructure services, which are not used in C&CCC, we do feel the need to respond. C&CCC support the general direction of the PSR with this interim report and we believe the PSR has to act firmly in order to provide a level-playing field in the industry. However, there is particular concern that the PSR's objective of ***“to promote the development of and innovation in payment systems, in particular the infrastructure used to operate those systems”*** may not be met with the reported MasterCard's attempt to purchase VocaLink from PSPs. Although no banks sit on the board of directors for MasterCard, the PSR should ensure that a fair procurement process takes place before such a transaction is confirmed, and such a takeover should not result in similar shortcomings in ownership (i.e. member banks owning a separate company that bids to takeover VocaLink).

Another concern from a C&CCC point of view is that a full procurement process has been run in the scheme, of which no case study or mention has been made in relation to procuring new infrastructure providers.

Yours faithfully

Steve Grigg  
Interim Chief Executive Officer