

# Compliance Under Construction: Key Takeaways from the UK Payments Forward Plan

The plan, published in February 2026, is intended to be a clear, coordinated regulatory roadmap for the UK's payments sector over the next three years.

It was created by HM Treasury and the Payments Vision Delivery Committee, which includes representatives from the Bank of England (BoE), the Financial Conduct Authority (FCA) and the Payment Systems Regulator (PSR).

The document had been expected since the launch of the UK government's National Payments Vision (NPV) in November 2024, and outlines how the authorities intend to balance innovation, resilience and consumer protection.

It sets out a sequenced pipeline of 30 individual payments-related initiatives, aiming to give the industry clarity on upcoming changes, enabling firms to plan ahead, manage resources and innovate.

The ultimate ambition of the NPV and the regulatory steps outlined in the Payments Forward Plan is to foster a trusted, world-leading payments ecosystem built on next-generation technology that gives consumers and businesses a genuine choice of payment methods.

The initiatives within the plan span retail payments, wholesale payments and digital assets, and the core focus areas include:

- **Modernising the regulatory framework:** consolidating the PSR into the FCA, reforming the Financial Ombudsman Service (FOS) and reviewing assimilated payment services laws.
- **Innovating in retail and wholesale payments:** short-term enhancements to the Faster Payments and Bacs, designing a next-generation retail payments infrastructure, rolling out open banking and commercial variable recurring payments (cVRPs) and advancing the design phases for a digital pound and stablecoin regulations.
- **Protecting users and the system:** strategies to tackle authorised push payment (APP) fraud, improve anti-money laundering (AML) measures and ensure continued access to cash.
- **Ensuring competition:** scrutiny of card scheme, processing and cross-border interchange fees, as well as potential interventions in digital wallet provision.

Industry stakeholders have been waiting eagerly for the plan for some time, and its attempt to bring coherence to a busy regulatory landscape is undoubtedly welcome.

However, it falls short of expectations, lacking granular detail and specific timelines in certain key areas, such as the future design of the UK's retail payments infrastructure.

It has essentially emerged as more of a continuation of policy development and consultation than an immediately transformative package.

## Key strengths

- **Coordination and clarity:** The plan provides a consolidated regulatory roadmap for the UK's increasingly busy and complex payments sector. By setting out a sequenced pipeline, it gives firms the clarity they need to manage resources, plan ahead and drive innovation.
- **Replacing regulatory silos:** It demonstrates how multiple retail and wholesale payment initiatives will sequence and interact with one another, rather than progressing in isolation.
- **Signalling collaborative intent:** The document highlights the scale of change the authorities are committing to in order to pursue growth and competition. It also reflects their willingness to engage with the industry via initiatives such as the Vision Engagement Group (VEG) and the Retail Payments Infrastructure Board (RPIB).
- **Clear direction in specific areas:** Despite the vagueness in some areas, the plan provides meaningful detail and clear timelines for certain initiatives, most notably open banking, giving firms enough information to start their preparations.

## Key weaknesses

- **Lack of granular detail:** The plan does not provide the watershed moment or level of specific detail that many in the industry were hoping for. In some areas, it offers only general signposting rather than definitive steps.
- **Vague timelines:** Several major initiatives suffer from broad or uncertain timelines. For example, there is little clarity regarding the future design of the UK's retail payments infrastructure, such as when the proposed Delivery Co will be established. Similarly, timelines for the Assimilated Payments Law are vague, with a Statutory Instrument expected at some point between 2027 and 2028.
- **No transformative impact:** The plan feels more like an outline for continued consultation than an immediately transformative package, bearing a resemblance to the existing Regulatory Initiatives Grid. This raises questions about whether it will actually accelerate delivery or just codify work that is already underway.

## An opportunity roadmap

With the launch of the Payments Forward Plan, the UK payments sector is entering a period of structured evolution.

As a tool for coordination, the document successfully brings a degree of coherence to what is an increasingly busy regulatory landscape.

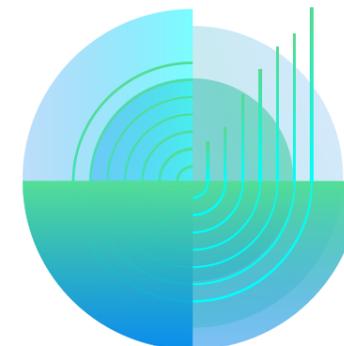
Although it does not deliver the immediate, transformative package some had hoped for, it does effectively codify existing efforts and offer useful signposting for regulators' priorities.

Payments firms can expect a continued period of consultation. Material changes to how consumers and businesses actually make payments are still some way off, as many of the 30 initiatives outlined in the plan will require further policy development and industry consultation before implementation.

The document clearly demonstrates the ambitious scale of change UK authorities are committing to in order to drive growth and competition, but the proposed timelines, particularly those for open banking, may be too slow for some.

Proactive organisations should see the plan as an opportunity roadmap that can help them to manage their resources and prepare for the significant changes ahead.

Ultimately, the most agile firms will view the plan as a chance to engage with regulators early and position themselves ahead of the curve. Those aggrieved that they have not been handed a step-by-step guide to the next three years risk being overtaken by more enterprising competitors.



Payments-related initiatives	2026												2027	2028		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec				
<b>Modernising the regulatory framework</b>																
Consolidating the PSR into the FCA ● ● ● ● ●	Q1 2026 HMT consultation response. Implementation requires primary legislation. Legislation will be brought forward when Parliamentary time allows.														To deliver a more streamlined regulatory environment, simplifying the regulatory landscape for firms and stakeholders.	
Modernising payments services regulation (review of assimilated payments law including Payment Services Regulations and E Money Regulations)  ● ● ● ● ●				Q2 2026 HMT consultation paper on review of assimilated payment services law, including the approach to Open Banking and stablecoin payments.						Q4 2026 HMT assimilated payment services law consultation response.			2027-2028 FCA consultations and policy statements on review of assimilated law. HMT to develop payments Statutory Instrument and lay in Parliament.		To deliver a more agile and responsive regulatory environment that promotes innovation in the UK payments sector. This will involve reviewing payments assimilated law and transferring firm-facing requirements to the FCA. Through this programme of work, consideration will be given to ensuring the UK's payments regulatory framework supports tokenised payments such as stablecoin and tokenised deposits. In addition, this exercise will include delivering updates to the Strong Customer Authentication regime, consideration of whether change/development of regulation is needed to support agentic AI payments, and how the regulatory regime can better support financial inclusion. HMT's consultation in Q2 2026 will also include proposals for delivery of the Long-Term Regulatory Framework for Open Banking.	
	Q2-Q4 2026 FCA Engagement Paper on their approach to the review of assimilated payments services law. FCA will engage with the sector to provide input into the development of draft handbook rules prior to consultation.															
Systemic Payment Systems Fee Cap ● ● ● ● ●				Q2/Q3 2026 HMT is exploring options to increase the statutory fee cap for systemic payment systems in the future and will consult on any proposals.										To ensure that the Bank of England is able to charge appropriate supervisory fees for financial market infrastructure in a fair and transparent manner, in order to safeguard financial stability by ensuring that these key systems remain resilient against disruptions and to fund new initiatives that support innovation.		
Financial Ombudsman Service (FOS) Reform ● ● ● ● ●	Q1 2026 HMT consultation response. Implementation requires primary legislation. Legislation will be brought forward when Parliamentary time allows.															To return the FOS to its original role as a simple, impartial dispute resolution service, providing greater certainty and predictability for consumers and firms who use the FOS.
<b>Innovating in retail payments</b>																
Retail payments infrastructure design and delivery programme (including with Design Authority and Delivery Company)  ● ● ● ● ●			Spring 2026 Consultation on the next steps on the Retail Payments Infrastructure Board's (RPIB) work.						H2 2026 Publication of response to the Spring RPIB consultation.					To design and deliver the next-generation retail payments infrastructure in line with the National Payments Vision and the Payments Vision Delivery Committee's strategy.		
Short-term enhancements to existing retail payments infrastructure  ● ● ● ● ●	End 2026 Implement data/operational enhancements to the current Faster Payment System and the Bacs Payment System.														To proportionately implement short-term enhancements to the current Faster Payment System and the Bacs Payment System to improve resilience and better support innovation, including in account-to-account payments.	
	2026 onwards Deliver progress on innovation-focused functionality and continued operational resilience to the current Faster Payment System and the Bacs Payment System.															
Stablecoin ● ● ● ● ●			10 February 2026 Bank consultation on systemic stablecoins closes.		H1 2026 Bank rules consultation for systemic stablecoins and summary of the responses to the consultation paper.						End-2026 Bank final rules instrument and supervisory approach.			To harness the opportunities of stablecoins in the UK, encouraging responsible growth and innovation.		
			Q2-Q3 2026 Bank-FCA approach to dual regulation of systemic stablecoins.													
			12 March 2026 FCA consultation paper on cross cutting conduct standards applicable to stablecoin issuers closes.		Q2/Q3 2026 FCA Policy Statement on rules for stablecoin issuance (non-systemic and systemic where applicable).						Oct 2027 FCA cryptoasset (including stablecoin issuance) regime goes live.					

<p>Card fees market reviews: scheme and processing fees and cross- border interchange</p> <p>● ● ●</p>	<p><b>Q1 2026</b> Commencement of merchant survey work (to feed into the merchant indifference test (MIT) analysis) and other analysis in relation to cross- border interchange fees.</p>	<p><b>Q2 2026</b> PSR consultation on draft direction for Regulatory Financial Reporting. PSR final decision on Information Transparency and Complexity, and Pricing Governance remedies following market review on card schemes and processing fees.</p>		<p><b>Q4 2026</b> PSR decision on next steps following cross-border interchange fees market review. PSR final decision on Regulatory Financial Reporting remedy from scheme and processing fees review.</p>		<p>On scheme and processing fees, the PSR is consulting on remedies which aim to increase transparency of fees for acquirers, with knock- on benefits for merchants, as well as to improve the information available to the PSR on the schemes' pricing and profitability in the UK. On cross-border interchange fees, the PSR is undertaking analysis to assess the appropriate level for cross-border interchange fees for outbound, UK-EEA, card-not-present transactions.</p>	
<p><b>Q1 2026</b> Consultation for draft directions on Information Transparency and Complexity, and Pricing Governance remedies following market review on card schemes and processing fees closes.</p>							
<p><b>Protecting users and the system APP fraud</b></p>							
<p>APP fraud</p> <p>● ●</p>	<p><b>Q1 2026</b> Independent evaluation focusing on the APP scams reimbursement requirement and fraud performance reporting. The evaluation will analyse the impacts of these policies, as well as present an independent view on the effectiveness of these policies at achieving their target outcomes. The independent review will be through carrying out data analysis as well as engagement with stakeholders via, for example, structured interviews.</p>		<p><b>June 2026</b> Webinar with stakeholders on the review's final report and findings.</p>	<p><b>Q3 2026</b> Independent 12-month evaluation of PSR's APP fraud policies published.</p>			<p>To highlight any areas where the reimbursement policy can be refined to further improve incentives on firms to prevent fraud and protect victims.</p>
	<p><b>H1 2026</b> Industry and operator decision on the approach to delivering a claims management system, to be developed and implemented through 2026/2027.</p>			<p><b>Q3 2027</b> Winding down of BPS claims management system.</p>	<p>Industry-led work to develop and deliver an APP scams reimbursement claims management and data reporting system.</p>		
<p>Fraud Strategy</p> <p>●</p>	<p><b>2026-2029</b> Home Office Fraud Strategy implementation.</p>					<p>To disrupt criminals' ability to commit fraud, safeguarding the public and businesses, supporting growth and delivering justice.</p>	
<p>Data Strategy</p> <p>●</p>				<p><b>Q3 2026</b> Home Office Data Strategy.</p>			<p>To provide data sharing system leadership and governance, simplify the data sharing system and encourage interoperability, and increase capability to share information, including to better detect economic crime through payment systems.</p>
<p>Anti-Money Laundering</p> <p>● ●</p>	<p><b>Q1 2026</b> HMT to lay Statutory Instrument to Improve the Effectiveness of the Money Laundering Regulations.</p>		<p><b>Q3 2026</b> Home Office Anti-Money Laundering and Asset Recovery Strategy.</p>				<p>To deliver a more risk-based, proportionate regime that is robust against financial crime whilst remaining workable for industry, and to strengthen the UK's response to money laundering and asset recovery by addressing the 2025 National Risk Assessment, closing gaps identified by the Financial Action Task Force (FATF), and futureproofing the system against evolving threats.</p>
<p>Digital ID</p> <p>● ●</p>	<p>The government has announced that it will offer a new national digital ID scheme, free to access for anyone who wants it by the end of the Parliament. In recent months, the government has developed a comprehensive consultation about the design of that scheme, which will be launched very soon. The government will also lead a national conversation to support prioritisation of key opportunities for digital ID and digital tools.</p>					<p>To unlock government services that work better, and help to save people time, hassle and money. To reduce fraud, enable new possibilities for integrated services, and make interacting with government easier.</p>	
<p>Safeguarding</p> <p>● ● ● ●</p>	<p><b>H1 2026</b> Bank to consider offering overnight safeguarding facilities to FCA-authorized Non-Bank Payment Service Providers (NBPSPs), including e-money and payment institutions, that hold a Real- Time Gross Settlement (RTGS) settlement account.</p>						<p>To explore opportunities for growth and innovation by levelling the playing field between commercial banks and NBPSPs, subject to maintaining the resilience of RTGS and the wider payments ecosystem.</p>
	<p><b>Jan-Apr 2026</b> FCA engagement with the sector to help firms prepare for the FCA's Supplementary Regime for safeguarding coming into force.</p>	<p><b>May 2026</b> The FCA's Supplementary Regime will come into force. Following the implementation of the Supplementary Regime, the FCA will review its effectiveness once a full audit period has been completed. Any future amendments to the safeguarding regime will depend on the delivery of</p>					<p>To better protect customers of payments firms that fail.</p>

			the Modernising Payments Regulation workstream.						
Payment and Electronic Money Special Administration Regime (PESAR) ● ● ● ● ●			<b>Q2-Q3 2026</b> Publication of government Response to the Independent Review and guidance on associated next steps.						HMT published in December 2025 the Independent Review of the Payment and Electronic Money Insolvency Regulations 2021. This considered how far the regime is achieving its intended objectives alongside recommendations to improve its ability to meet these. HMT is currently considering the Review's findings and recommendations carefully to set out its Response.
Consumer Duty ● ●	<b>2026</b> FCA multi-firm work in relation to payments firms' treatment of consumers in vulnerable circumstances.						<b>Q1 2027</b> FCA publication of good and poor practice in relation to payments firms' treatment of consumers in vulnerable circumstances		To raise awareness of the FCA's expectations of firms in relation to consumers in vulnerable circumstances. This should support financial inclusion and deliver better outcomes for consumers.
Payments 'Market Focus' Report ● ● ● ● ●			<b>March 2026</b> FCA Payments 'Market Focus' Report for the non- bank payments sector. Spring 2026 HMT to publish an update.						To raise awareness of FCA priorities for firms in the non-bank payments sector. This should clarify FCA expectations of firms and raise standards in the sector.
Consumer Credit Act reform ● ● ● ● ●									To deliver a more agile and proportionate regulatory regime for consumer credit that can enable innovation and drive economic growth, while offering robust protection for consumers.
<b>Cash</b>									
Access to cash ● ●								<b>Q2 2027</b> FCA findings from post-implementation review of its Access to Cash regime.	To assess whether the Access to Cash regime has maintained reasonable access to cash in the UK. This will help ensure the rules are working effectively to support financial inclusion.
Wholesale cash ● ● ● ● ● ●		<b>April-June (TBD) 2026</b> The Bank will convene a meeting of the Cash Committee to review progress on wholesale cash distribution oversight and coordinate activities across stakeholders.	<b>June 2026</b> The Bank will hold bilateral meetings with recognised firms as part of the wholesale cash distribution oversight regime.	<b>July-Sept 2026</b> The Bank will consult recognised firms on the oversight fee it charges on annual basis to recoup the costs of their supervisory work.	<b>Oct/Nov 2026</b> HMT will lay in Parliament the Bank's annual report concerning its discharge of supervisory powers under the wholesale cash distribution oversight regime.	<b>Nov 2026</b> The Bank will invoice firms for oversight fees (and any special project fees, if applicable).	<b>Dec 2026</b> The Bank will convene a year-end meeting of the Cash Committee to review the full year's oversight activities and plan priorities for the following year.		The Financial Services and Markets Act 2023 established a new statutory oversight regime for wholesale cash distribution by inserting Part 5A into the Banking Act 2009. Under this framework, the Bank of England's overarching objective is to manage risks to the effectiveness, resilience and sustainability of the wholesale cash distribution industry.
<b>International</b>									
Enhancing cross-border payments ● ● ● ● ● ●				<b>Q3 2026</b> OECD report on enhancing transparency in retail cross-border payments and remittances.					To support efforts to make cross-border payments faster, cheaper, more transparent and more accessible, including the implementation of practices that enhance safety and security and improve the detection of financial crime.
					<b>Q4 2026</b> FATF guidance on changes to Recommendation 16 of the FATF standard on payment transparency.				
					<b>Q4 2026</b> Publication by the Financial Stability Board of annual progress report.				

				on the G20 Roadmap for enhancing cross-border payments.			
Transatlantic Taskforce for Markets of the Future ● ●			<b>Summer 2026</b> Transatlantic Taskforce for Markets of the Future recommendations to further financial market innovation, with a particular focus on digital assets and capital markets.				To further innovation in digital assets and capital markets, and advance the government's ambition for economic growth.

**Key**

**Alignment with foundations of the National Payments Vision:**

- Clear, predictable and proportionate regulatory framework ●
- Resilient infrastructure that supports innovation ●

**Alignment with pillars of the National Payments Vision:**

- Innovation ●
- Competition ●
- Security ●
- Financial inclusion ●

