

Open banking is the way forward for UK payments sector, PSR's Hemsley says

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There is no reason to delay the expansion of open banking in the UK payments system, the managing director of the Payment Systems Regulator said today. "There is, and rightly so, a lot of excitement about the future of payments, especially when we look at open banking. Quite simply, it is the payments sector's way forward," Chris Hemsley said at a summit in London.

The expansion of open banking in the UK payments system should not be delayed, the managing director of the Payment Systems Regulator said today.

"There is, and rightly so, a lot of excitement about the future of payments, especially when we look at open banking. Quite simply, it is the payments sector's way forward," Chris Hemsley said at a summit* in London.

Open banking allows third-party financial services providers to access financial information on banks' customers, in order to provide them with services to manage their money.

Industry representatives are hopeful about the PSR's commitment, but they pointed out that progress has been slow, because 2023 had already been named as the year for open banking. This has now become an objective for 2024.

Janine Hirt, chief executive at Innovate Finance, said "the excitement is still there, but we need to see more progress going forward."

"We're now moving to the next stage, so more people, businesses and the wider economy can benefit," Hemsley said.

Hemsley echoed the comments of Joe Garner, chair of the Future of Payments Review, which was launched in July 2023 to report on the future of payments and the steps needed to deliver world-leading retail payment services.

Garner argued that the UK payment system needs an upgrade to meet future challenges, as well as to address retailers' complaints regarding the lack of alternative to card payments that are subject to fees. Open banking "did not have the best start," but it will be a way to address both challenges, he said.

** Payments Regulation and Innovation Summit, City & Financial, London, Jan. 25, 2024*

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