

Response to Future of Payments review – call for input

July 2023

Question 1: What are the most important consumer retail payment journeys both today and in the next 5 years? For example, paying a friend, paying a bill, paying businesses for goods and services, in the UK or internationally etc.

Fair By Design is dedicated to reshaping essential services such as energy, credit, insurance and payments so that they don't cost more if you're poor – also known as the poverty premium. Fair By Design collaborates with regulators, government and industry to design out the poverty premium.

Fair By Design urges the Future Payments Review team to carry out their own research into what consumer retail payment journeys are important to all consumers but focusing specifically on what is important to individuals on a low income.

In our recent report on [Payments Systems and the Poverty Premium](#), we set out a number of ways in which consumers on a low income incur a poverty premium because of the way they pay for essential services. These include: paying more for energy (an additional £202 in the April – Jul 2023 price cap period) for paying on receipt of bill as opposed to paying by direct debit, paying an extra £103 per year for paying monthly as opposed to annually for car insurance, and getting charged a flat fee for withdrawing cash. In designing the payment systems of the future, it is essential that the needs of those on low incomes are designed in from the outset, to avoid further poverty premiums.

In addition, those on low incomes often value flexibility and control over how they pay. Fair By Design is calling for the Payments System Regulator to ensure wide availability and viability of inclusive and flexible payment methods such as Request to Pay. We would then like to see utility providers adopting these systems so that their customers can enjoy greater flexibility over how they pay, whilst at the same time reducing the risk of non-payment for the provider. We believe there is great potential for both payment systems providers and firms to develop new products to meet the needs of those on low incomes, to the benefit of both firms and the customers they serve.

Fair By Design is happy to meet the review team to discuss in more detail how future payments systems and products can meet the needs of those on low incomes.

Question 2: For these journeys today, how does the UK consumer experience for individuals and businesses compare versus other leading countries? For example, the quality of experience, security or cost.

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Question 3: Looking at the in-flight plans and initiatives across the payments landscape, how likely are they to deliver world leading payment journeys for UK consumers? For example, we welcome suggestions that you feel would support, or are essential to delivering, world leading payments for UK consumers.

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