



Bank of England



Strategy for Future Retail Payments Infrastructure

November 2025



Bank of England



Strategy for Future Retail Payments Infrastructure

November 2025



© Crown copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at public.enquiries@hmtreasury.gov.uk

ISBN: 978-1-917638-63-0 PU: 3561

Contents

Chapter 1	
Introduction	6
Chapter 2	
The Payments Vision Delivery Committee's strategic outcomes	9
Chapter 3	
Next steps and approach to delivering the Strategy	16

Chapter 1

Introduction

Purpose and scope of the Strategy

1.1 In November 2024, the Government published the National Payments Vision, setting out its ambitions for the UK's payments sector to deliver world-leading payments and support the growth mission.

1.2 The Government established the Payments Vision Delivery Committee ('the Committee') to drive towards its vision for a trusted, world leading payments ecosystem, delivered on next generation technology, where consumers and businesses have a choice of payment methods to meet their needs. The Committee comprises the Bank of England ('the Bank'), the Financial Conduct Authority (FCA) and the Payment Systems Regulator (PSR) (together 'the Authorities') and is chaired by HM Treasury (HMT).

1.3 The underlying infrastructure plays a foundational role in enabling secure and innovative payments that are responsive to user needs, supporting competition and delivering public value. Recognising this, the National Payments Vision set a key deliverable for the Committee to establish a new approach for the development and delivery of the UK's retail payments infrastructure needs.

1.4 In July 2025, the Committee announced an innovative new governance model to drive the renewal of the UK's retail payments infrastructure¹. This model, based on collaboration between the public and private sectors, balances the strategic direction that the public sector provides, with the deep industry knowledge and delivery capacity of the UK's payments ecosystem. It ensures the right expertise is driving activity at each stage of design and delivery. Under this model, HMT and the Authorities are responsible for setting the strategy for the design and delivery of the new infrastructure, to be taken forward by the new Retail Payments Infrastructure Board and Delivery Company.

1.5 This document therefore establishes the Committee's strategic outcomes for future retail payments infrastructure, taking account of HMT and the Authorities' objectives for the payments ecosystem at large.

1.6 This Strategy has been developed with the needs of users, including those of end users, at its core. It sets out how the future infrastructure will accommodate the current and future payment

¹ [Payments Vision Delivery Committee Update - GOV.UK](#)

needs of individuals and businesses, for both existing use cases and evolving requirements. Delivery of the Strategy will bring benefits to consumers and businesses alike – driving greater access, choice, value and security across the system and a world-leading payments experience for users of this vital infrastructure.

Seizing the benefits of new technologies

1.7 The Strategy is set within a dynamic and rapidly evolving UK and global payments ecosystem. In the UK, the landscape is shifting markedly — driven by the accelerating adoption of digital transactions, the prevalence of card-based payments and the popularity of mobile and e-wallets. At the same time, the usage of cash and cheques continues to decline. However, cash and cheques continue to play a vital role for many, including those who are unable or prefer not to transact digitally, and will therefore remain an important part of the ecosystem.

1.8 Further, the emergence of new digital forms of money such as stablecoins and tokenised deposits, and innovations in the use of platforms that support programmable payments – including those based on Distributed Ledger Technology (DLT) – have the scope to transform the way that payments are made and received. The potential benefits of this innovation are significant – with opportunities for faster, cheaper transactions, easier reconciliation and new functionalities offering consumers and businesses better control of their payments, among other benefits. To deliver world-leading payments and drive growth, the UK's future retail payments infrastructure must support and enable these new technologies.

1.9 In this context, it is essential that the Retail Payments Infrastructure Board's work is forward-looking and considers the optimal future 'set-up' for the UK's retail payments infrastructure, recognising that the 'frontier' of technological developments continues to shift. This means it needs to think beyond a like-for-like upgrade of the existing Faster Payment System and Bacs Payment System, while ensuring continuity of the services that users currently expect and rely on.

Guiding Pillars: Innovation, Competition and Security

1.10 This Strategy is informed by, and builds upon, the three pillars of the National Payments Vision: innovation; competition and security. These pillars are organising principles and explain how the Committee has arrived at the outcomes for the next generation of retail payments infrastructure set out in Section 2 below.

Innovation

1.11 Infrastructure has a crucial role to play as a catalyst for innovation in the wider payments ecosystem. Efficient and reliable infrastructure can create space for, and lower the cost of, developing new products and services, while enabling the technological advancements above

presents further opportunity for infrastructure to drive innovation across the sector. This innovation can better meet the varied needs of users, including to support financial inclusion.

Competition

1.12 Payment infrastructure which is open to established players and new entrants on a fair, transparent and non-discriminatory basis supports competition in the payments ecosystem. This in turn spurs innovation, increases choice for consumers and merchants in how they make and receive payments and drives economic growth.

Security

1.13 The Vision acknowledged that resilient infrastructure is a prerequisite to a healthy ecosystem and is essential for trust in payments. More widely, trust and confidence in money, underpinned by clear and proportionate regulation, is fundamental to monetary and financial stability. Secure payments infrastructure which utilises the latest technologies can help protect individuals and businesses from fraud, cyber threats and wider disruption for users. The UK is highly integrated into the global economic and financial systems, and maintaining 'safe openness' is a critical underpinning for safe and sustainable economic growth.

Chapter 2

The Payments Vision Delivery Committee's strategic outcomes

2.1 Money, payments and financial markets comprise an important ecosystem, which is both complex and rapidly changing. Given the uncertainty around the development and adoption of emerging technological advancements, an effective strategy must accept that the route to delivering its goals may need to adapt over time.

2.2 The Committee's Strategy for retail payments infrastructure is therefore anchored around five high-level strategic outcomes. These build on the Vision's pillars of innovation, competition and security by:

- a. Setting out measurable outcomes that the Committee wants to see over the coming years;
- b. Providing a further level of detail that can help guide the Retail Payments Infrastructure Board in its work; and
- c. Supporting the industry and wider payments ecosystem in their prioritisation of investments and other initiatives.

2.3 These outcomes focus on the role of the new retail payments infrastructure (in terms of foundational technologies, systems and core operating rules that enable the movement, settlement and management of money across the system). Authorities are also likely to play a role in shaping associated schemes and standards (such as governance and participation standards) for the infrastructure to ensure they align with public policy objectives. More broadly, the central role played by infrastructure means that it cannot be considered in isolation from other aspects of the retail payments ecosystem. Authorities are also responsible for developing wider requirements – for example in relation to consumer protection and supporting the market to provide products and services 'on top of' the infrastructure. As the payments landscape continues to evolve, the regulatory architecture may need to adapt over time, ensuring it remains fit for purpose and able to support responsible innovation across the ecosystem.

The Payments Vision Delivery Committee's outcomes for future retail payments infrastructure

1	Consumers and businesses have a greater choice of innovative and cost-effective payment options that meet their needs.
2	Payments operate seamlessly as part of a diverse multi-money ecosystem, with interoperability between new and existing forms of digital money.
3	Consumers and businesses can trust that their payments are protected from fraud and wider financial crime.
4	Participant firms have fair, transparent and non-discriminatory access to the infrastructure – maximising competition and scope for innovation across the payments ecosystem.
5	The payments ecosystem is operationally and financially resilient.

Outcome 1: Consumers and businesses have a greater choice of innovative and cost-effective payment options that meet their needs.

2.4 A diverse payments ecosystem characterised by effective competition between payment methods and payment systems can encourage innovation in high-quality products and services that serve the needs of users and deliver value for money.

2.5 Greater choice for end users at point of sale (both in person and online) should incentivise market participants to invest in competitive and innovative products, overlay services and technologies that deliver value to UK payment systems participants and users – ultimately driving economic growth. The ambition is for new service providers to exist alongside and compete with existing payment networks and that competition should drive improvements in functionality, service and cost.

2.6 Infrastructure that is itself innovative and future-proofed, and that supports innovation and fosters competition in the wider payments ecosystem will help ensure that providers are agile and responsive to end user needs as these evolve over time. For example, programmable payments and tokenised forms of money, potentially combined with AI-based innovations, could give consumers and businesses better control over their finances, and lead to customer demand for use cases that don't currently exist.

2.7 These innovations should also improve cross-border payments, with consumers and businesses finding it cheaper, faster, more transparent and more accessible than it is today to make and receive payments across international borders, in line with the aims of the G20's Roadmap for Enhancing Cross-border Payments.

2.8 Payments infrastructure must also support financial inclusion by enabling the provision of new and innovative forms of inclusive payment products and services – for example those with enhanced usability or flexible controls. More widely, access to cash remains vital. The Committee recognises that due to declining usage, the cost of processing cheques is increasing. However, millions of cheques are still processed each year and a significant number of people – particularly vulnerable people, as well as some businesses, continue to rely on cheques. The ability to process cheques, including via cheque imaging, therefore needs to be maintained, but the Committee is open to proposals by the Retail Payments Infrastructure Board about how this could be delivered more efficiently than today.

2.9 To achieve this outcome the next generation retail payments infrastructure will need to:

- a. Support delivery of a solution enabling a consumer to pay for goods and services directly from their account to the merchant's (account to account payments at point of sale), including by supporting Open Banking.
- b. Improve the efficiency and functionality of existing payment use cases, and facilitate new payment use cases, for consumers and businesses – for example through programmable functionalities and tokenisation. The use of alias-based payments – i.e. facilitating payments between parties without the need of sensitive- or account-related information – should also be explored, consistent with Outcome 3.
- c. Reduce barriers for consumers and businesses making cross-border payments, for example through improved international interoperability via standardised messaging formats, and supporting stablecoin payments.
- d. Be 'inclusive by design', facilitating the provision of products by the market that serve diverse user needs and an evolving payments ecosystem. This includes by enabling the provision of inclusive products and services with respect to consumers with specific needs or vulnerabilities.
- e. Enable modular development and seamless integration of value-adding overlay services, enabling firms to offer innovative, differentiated and competing products to users, including end users, and wider payment system participants.

Outcome 2: Payments operate seamlessly as part of a diverse multi-money ecosystem, with interoperability between new and existing forms of digital money.

2.10 New forms of digital money and payments present huge potential benefits for both users and providers of payment services,

offering faster, cheaper payments with better functionalities and greater security. The UK's retail payments infrastructure must support and enable these new technologies.

2.11 Money and payment services should be convenient for consumers and businesses. While being safe, making and receiving payments should be as frictionless as possible between different types of digital money (or platforms supporting a given type of digital money). This includes commercial bank money, e-money, tokenised deposits and stablecoins; as well as new forms of digital money that may emerge over time, for example a potential digital pound.

2.12 For example, both consumers and retailers should be able to choose to transact using a particular form of digital money that suits them, in a similar way to how users of different commercial banks frictionlessly transact with each other today.

2.13 In other words, different types of digital money should be 'interoperable'. Such interoperability is key to unlocking fair, open and inclusive access to both existing and new forms of digital money.

2.14 To achieve this outcome the next generation retail payments infrastructure will need to:

- a. Support innovation in new forms of digital money and payments.
- b. Facilitate interoperability across different types of digital money, enabling them to be used seamlessly. This will support competition throughout the payments ecosystem and help encourage innovation, including around the end user experience.
 - i. To this end, the Retail Payments Infrastructure Board should explore new 'core interoperability' infrastructure which would enable connection across different forms of digital money. This includes commercial bank money, e-money, tokenised deposits and stablecoins; as well as new forms of digital money that may emerge over time, for example a potential digital pound.
 - ii. In considering design options to deliver interoperability, there should be an assessment of associated risks and benefits, notably in relation to the fragmentation of core infrastructure as well as potential impacts on competition and innovation.

Outcome 3: Consumers and businesses can trust that their payments are protected from fraud and wider financial crime.

2.15 Payment methods need to deliver appropriate protections for users. Financial crime, including fraud, can cause significant harm,

which in turn undermines public confidence in money and payments. Users need to be confident that measures are in place to reduce the likelihood of fraud, other forms of financial crime and errors occurring in the first place, and that appropriate support is available if it does occur.

2.16 Collaborative efforts across the sector should continue to tackle the risks of fraud and other forms of financial crime through coordination and cross-authority support. The Economic Crime Plan 2023-26, for instance, has enhanced cooperation between the public and private sectors in identifying and disrupting illicit finance. The Government has committed to publishing a new, expanded Fraud Strategy which tackles the range of modern-day threats posed by fraudsters.

2.17 In addition, appropriate consumer protections are essential, with clear rules to help users understand their rights—especially in cases of fraud. Robust authentication measures should give consumers, businesses and other end users confidence their payments are secure and that they can trust who they’re transacting with. This will support the adoption of new forms of payments and further enable innovation and competition in payments.

2.18 As well as the direct benefits to users in terms of reduced economic harm, greater trust in payments helps support market integrity and financial stability. The bedrock of a sound financial system is public confidence that it can keep their money safe and secure from harm.

2.19 To achieve this outcome the next generation retail payments infrastructure will need to:

- a. Support the fight against financial crime by enabling advanced capabilities in prevention, detection and resolution (e.g. through use of high-quality data and AI-driven analytics). Financial crime, including fraud and money laundering, should be ‘designed-out’ as far as possible, for example by considering the benefits of programmable payments to enable conditional settlement, dynamic transaction limits and payments to pre-approved recipients.
- b. Enable the deployment of robust customer authentication mechanisms that give consumers and businesses confidence that their payments are secure.
- c. Enable appropriate consumer protection across payment methods.
- d. Provide secure and efficient data access and sharing in line with universal standards and relevant data protection requirements.

Outcome 4: Participant firms have fair, transparent and non-discriminatory access to the infrastructure – maximising competition and scope for innovation across the payments ecosystem.

2.20 A competitive payments market requires a broad range of participants, including Payment Service Providers and other types of service providers, to be able to access the infrastructure on a level playing field, subject to meeting regulatory requirements. In particular, this entails access requirements that are proportionate, objective and non-discriminatory. This in turn will support innovation (see Outcome 1) by supporting market entry by firms with different business models, products and services, which could in turn unlock innovative and high-quality new use cases for end users.

2.21 To achieve this outcome the next generation retail payment infrastructure will need to:

- a. Support a range of commercially viable business models.
- b. Provide easier access to Payments Service Providers and relevant other types of service provider that meet the necessary requirements, including compliance with regulation.
- c. Have a transparent, fair and predictable pricing methodology and governance framework.

Outcome 5: The payments ecosystem is operationally and financially resilient.

2.22 There needs to be end-to-end operational resilience across the payments chain. In line with National Cyber Security Centre's assessment that the risk to critical infrastructure from state-aligned groups is 'enduring and significant', the future retail payments infrastructure should include the highest levels of protection from cyber and wider threats, and the ability to respond and recover in the event of operational disruptions.

2.23 Consumers and businesses should also be able to transact around the clock, via a range of performant and secure payment choices.

2.24 Governance and funding models need to be sustainable, enabling the UK's infrastructure needs to be effectively and efficiently delivered now and over time.

2.25 To achieve this outcome the next generation retail payments infrastructure will need to:

- a. Deliver reliability, resilience and security at scale, both during the transition to the new infrastructure and in the steady state.

- b. Include the highest levels of protection from cyber and wider threats, assured by the National Technical Authorities².
- c. Employ a funding model that enables ongoing investment in the infrastructure.
- d. Have long-term financial resilience and economic viability with an appropriate approach to cost control.
- e. To ensure monetary and financial stability, continue as with current practice for systemic retail payment systems to facilitate final settlement in central bank money for payments between customers of different money issuers.

2.26 The Committee will continue to closely monitor developments and innovation in payment systems, including in other jurisdictions.

² The National Technical Authorities are the National Protective Security Authority (NPSA), National Cyber Security Centre (NCSC) and the National Authority for Counter-Eavesdropping (UK-NACE)

Chapter 3

Next steps and approach to delivering the Strategy

3.1 This Strategy sets out long-term goals for the UK's retail payments infrastructure. It has been developed through close collaboration between HMT and the Authorities, and discussion with ecosystem participants, reflecting a shared commitment to delivering meaningful change. Over the coming years, HMT and the Authorities will continue to coordinate closely to achieve the outcomes identified.

3.2 The Committee wants to see the effective design and delivery of renewed retail payments infrastructure in support of the National Payments Vision, alongside a smooth and safe transition that serves users and maintains trust in the system.

3.3 The Committee's priority is for the next generation infrastructure to deliver so-called 'account-to-account' functionality at point of sale, to enable greater choice of payment methods. Supporting innovation – including programmable payments, tokenised deposits, and stablecoins – is also crucial to achieve world-leading payments.

3.4 Pay.UK, the operator of the retail interbank payment systems, has a vital role to play. It continues to run and maintain the resilience of these critical systems, whilst also taking action to ensure they can best serve the ecosystem of today, and bridge to the ecosystem of tomorrow.

3.5 In this context, important work on short-term enhancements to the current Faster Payment System and the Bacs Payment System is in train, with a view to improving resilience and better supporting innovation.

Role of the Retail Payments Infrastructure Board

3.6 In line with the new governance model announced in July 2025, the Bank has convened the Retail Payments Infrastructure Board to lead design (and delivery oversight) of the renewed retail payments infrastructure in line with this Strategy. It is a senior advisory board chaired by the Bank, reflecting the Bank's role as an operator and recent experience of renewing infrastructure. The Retail Payments Infrastructure Board has broad representation from, and will engage, across the payments ecosystem to ensure design choices not only

deliver against the outcomes in this Strategy but leverage the experience and knowledge of a diverse range of payments market participants, including end users. Further information can be found on the Bank's website.³

3.7 The development and delivery of next-generation retail payments infrastructure will be a multi-year endeavour. The Retail Payments Infrastructure Board, with buy-in from across the payments ecosystem, including through consultation and engagement with industry and end users, will need to develop a workplan that delivers upon this Strategy and also takes account of changes across the wider ecosystem. It will need to align infrastructure change with dependencies on other work, including relevant regulatory initiatives. Just as this Strategy takes account of the uncertainty created by a rapidly changing technical landscape, the Retail Payments Infrastructure Board's workplan will also need to be nimble to adapt as required to innovation across the sector.

3.8 Payments ecosystem participants are in tandem setting up an industry-owned Delivery Company, responsible for implementing the design – procuring and funding the next-generation infrastructure. The Delivery Company will be chaired by the industry and have broad representation from across the payments ecosystem.

3.9 As the Retail Payments Infrastructure Board takes this forward, it will need to operate with appropriate autonomy to ensure work is progressed at pace. However, in doing so it will inevitably face tensions and choices, and the relative benefits of alternative design options will require assessment. The Committee will have a continuing role as the senior forum at which strategic trade-offs and design decisions that have material impact for HMT and the Authorities are considered, and will therefore take an interest in how the Retail Payments Infrastructure Board approaches such judgements.

Other infrastructure initiatives and innovations

3.10 Given the timescales involved in the design and delivery of new retail payments infrastructure, the Committee welcomes potential wider private sector innovations in the interim that support the outcomes set out in this Strategy. However, any such innovations must be compatible with the longer-term direction of travel of the new infrastructure. Specifically, any interim innovations should:

- a. Help advance the payments ecosystem towards the outcomes set out in this Strategy.
- b. Not distract industry and authority focus from the crucial work on the design and delivery of the new retail payments infrastructure.

³ <https://www.bankofengland.co.uk/payment-and-settlement/the-national-payments-vision/retail-payments-infrastructure-board>

- c. Where relevant, be designed to integrate with the new infrastructure in due course.

3.11 The infrastructure should also be designed in a way which proportionately takes account of the Bank and HMT's plans for a digital pound, were its issuance to become necessary in the future.

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gov.uk