

# Payments Forward Plan

---

February 2026



HM Treasury

**Bank of England**



# Payments Forward Plan

---

February 2026

## The Payments Forward Plan

Building on the strategic direction established by the government's National Payments Vision, the Payments Forward Plan sets out a clear and coordinated regulatory roadmap for the payments sector over the next three years. It provides a transparent view of planned payments-related initiatives being delivered by the government and public authorities, and sets out how each initiative supports delivery of the National Payments Vision ambitions 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.

HM Treasury and the authorities (the Bank of England, the Financial Conduct Authority and the Payment Systems Regulator) have collaborated closely throughout its development, engaging with industry and user representatives through the Vision Engagement Group. In producing the Payments Forward Plan, HM Treasury and the authorities have actively considered sector capacity and the sequencing of activity.

By presenting a consolidated view of the regulatory pipeline and its intended outcomes, the Payments Forward Plan is designed to support planning and create space for private sector innovation. It sits alongside actions already taken to address the 2023 Future of Payments Review's findings on payments regulatory congestion – including the planned consolidation of the PSR within the FCA – and forms part of a broader effort to create a clearer, more predictable and proportionate regulatory framework.

The government and the authorities are taking forward an ambitious programme of work to realise the aims of the National Payments Vision, support the growth of the payments sector and deliver real-world benefits for consumers and businesses. This programme is multifaceted, and includes actions to modernise the regulatory framework, support innovation so that the UK can seize the transformative benefits of new technologies such as tokenisation and agentic AI, drive competition in the sector, and ensure payments are safe and secure. It also entails engagement with the payments industry to seek input on future regulation to ensure it is fit for purpose, and initiatives to support firms to bring new ideas to market.

This programme of work will also have an impact beyond payments. In particular, the FCA will continue to consider potential interoperability between Open Banking and other smart data schemes, given the government's intention for the Open Banking framework to lay the foundations for Open Finance.

The Payments Forward Plan therefore brings together ongoing and upcoming work across retail payments, wholesale payments and certain aspects of digital assets. It focuses on initiatives led by HM Treasury, the Bank of England, the Financial Conduct Authority and the Payment Systems Regulator, while reflecting wider UK government and public sector activity where relevant, and certain private sector-led workstreams that flow from public authority steers. While it does not capture wholly private sector initiatives, HM Treasury and the authorities are supportive of industry work which drives progress towards the National Payments Vision, for example, private sector initiatives looking to drive innovation in distributed ledger technologies.

While the Payments Forward Plan captures a wide range of initiatives which are relevant to payments and seeks to provide clarity on key milestones, it is not exhaustive and timings remain subject to change.

When considering future payments initiatives, HM Treasury and the authorities will continue to consider how they support the delivery of the National Payments Vision and their collective impact on the sector's capacity. Going forwards, the Payments Vision Delivery Committee has agreed to add an enhanced focus on payments to the Regulatory Initiatives Grid in its first 2027 publication.

Payments-related initiatives	2026												2027	2028			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec					
<b>Modernising the regulatory framework</b>														<b>Objectives</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.
	2026 Design Authority (RPIB subcommittee) will summarise industry feedback and indicate possible design directions. Further analysis and decisions remain for RPIB.																
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.				

	<b>H1 2026</b> FCA have launched a special cohort within the Regulatory Sandbox for firms issuing stablecoins.		<b>Q3 2026</b> FCA opens gateway for cryptoasset firms to apply for authorisation, including stablecoin issuers.						
		<b>March-May 2026</b> FCA stablecoin payment policy sprints and roundtable with the sector to help shape policy and the future of stablecoin payments in the UK, including a focus on trade payments.							
Open Banking ●●●●●	<b>Q1 2026</b> First live Variable Recurring Payments under industry-led scheme.		<b>Q3 2026</b> FCA consultation paper on the Open Banking Long-Term Regulatory Framework interface rules.		<b>Q4 2026</b> HMT Data (Use and Access) Act Statutory Instrument to be laid in Parliament, which (alongside the MPR reforms) will give the FCA the necessary powers to oversee the future ecosystem, including regulating the Future Entity and commercial schemes. This will pave the way for revocation of the CMA Order.	<b>Q1 2027</b> FCA Policy Statement on the Open Banking long term regulatory framework interface rules.		To establish Open Banking on a commercially sustainable basis, which will allow the CMA order to be revoked and help advance the government's ambition of making account-to-account payments ubiquitous. This will support delivery of better outcomes for consumers and businesses by enabling secure, simple options for payments e.g. peer-to-peer transfers, flexible bill payments, and point-of-sale payments (including ecommerce).	
	<b>Jan 2026</b> Industry to provide FCA views on provider to establish a standards setting body.	<b>Feb-March 2026</b> Independent assessment of proposals for setting up a standards setting body.	<b>April 2026</b> Industry select organisation to take forward establishment of a body capable of becoming the Future Entity for Open Banking.	<b>Q3-Q4 2026</b> Industry establish a standards body capable of becoming the Future Entity for Open Banking in parallel to the legislative process.					
Digital Pound ●●●●●	<b>2026</b> The current design phase of the digital pound workplan will run through 2026. This year, HMT and the Bank expect to publish the following: (a) a blueprint which explains the proposition for a digital pound and (b) a decision on the future of the digital pound, informed by an assessment of the blueprint and case for digital pound.								
Contactless payments ●●●●●	<b>Jan-Feb 2026</b> FCA engagement with the sector to help firms prepare for FCA standards and guidance on contactless payments coming into force.	<b>March 2026</b> FCA standards and guidance on contactless payments come into force.							To give greater flexibility to banks and other payment service providers to determine their approach to contactless payments. This additional flexibility could foster innovation and thereby support growth, while still requiring payment service providers to maintain low levels of risk.
Digital wallets ●●●●●	<b>H1 2026 onwards</b> Competition and Markets Authority (CMA) plans to consult on potential interventions in relation to digital wallets.								To explore the need for interventions to protect competition in digital wallet provision
<b>Innovating in wholesale payments</b>									
RTGS and CHAPS settlement hours ●●●●●	<b>Q1 2026</b> Decision and policy statement on early morning extension to RTGS and CHAPS settlement hours.							To improve efficiencies for domestic and cross-border payments, reduce settlement risk and support innovation.	
	<b>Q1 2026</b> Consultation paper on the potential for near 24x7 settlement for RTGS and CHAPS.								
RTGS Synchronisation Lab ●●●●●			<b>Spring 2026</b> Launch of Synchro lab.					To provide a non-live environment for prospective synchronisation operators to demonstrate their use cases.	
Wholesale experiments programme ●●●●●					<b>Q4 2026</b> Bank final report on wholesale experiments programme.		To test if planned enhancements to RT2 can support new wholesale payment needs and innovative use cases, or if further innovation (such as a wholesale Central Bank Digital Currency) may be required.		
Digital Securities Sandbox (DSS) tokenised payments capabilities ●●●●●	<b>2026-2028</b> DSS currently open for applications until March 2027 – entrants expected to facilitate live issuance of securities, including potentially using programmable forms of money from 2026-2027, continuing until the DSS closes.								
	<b>H1 2026</b> The Bank and FCA are exploring whether and how regulated stablecoins could enable on-chain settlement by providing the payment leg for transactions within the DSS.							To support innovation in new technologies, including distributed ledger technology.	
<b>Ensuring effective competition in card schemes</b>									

<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.</p> <p>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>Protecting users and the system</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) ● ● ● ● ●			Q2-Q3 2026 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 ● ●	2026 FCA multi-firm work in relation to payments firms' treatment of consumers in vulnerable circumstances.							Q1 2027 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 ● ● ● ● ●		March 2026 FCA Payments 'Market Focus' Report for the non-bank payments sector.							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 ● ● ● ● ●			Spring 2026 HMT to publish an update.						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 ● ●								Q2 2027 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 ● ● ● ● ●		April-June (TBD) 2026 The Bank will convene a meeting of the Cash Committee to review progress on wholesale cash distribution oversight and coordinate activities across stakeholders.	June 2026 The Bank will hold bilateral meetings with recognised firms as part of the wholesale cash distribution oversight regime.	July-Sept 2026 The Bank will consult recognised firms on the oversight fee it charges on annual basis to recoup the costs of their supervisory work.	Oct/Nov 2026 HMT will lay in Parliament the Bank's annual report concerning its discharge of supervisory powers under the wholesale cash distribution oversight regime.	Nov 2026 The Bank will invoice firms for oversight fees (and any special project fees, if applicable)	Dec 2026 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 ● ● ● ● ●				Q3 2026 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.
						Q4 2026 FATF guidance on changes to Recommendation 16 of the FATF standard on payment transparency.			
							Q4 2026 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** ●