

Which?

Payments: The consumer desire for control

**A Public Dialogue on the Future of UK
Payments**

This publication reflects the view of Which? and does not necessarily reflect the opinions or endorsement of the individuals or organisations that served on the project's advisory group.

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Executive summary

We currently stand at a critical juncture in the development of UK payments. The way we pay is rapidly changing due to the pace of technological change. At the same time, our payments infrastructure is ageing and is long overdue an upgrade to allow the UK to remain at the forefront of payments innovation. As decisions are made about the future of the UK's retail payments infrastructure, it's imperative that what consumers want and need from payments is heard and reflected in what is developed.

To this end, Which? conducted a public dialogue in September and October this year. We took a public dialogue approach because despite payments being integral to our daily life, their future evolution is inherently complex. A deliberative approach tackles this by enabling constructive and informed conversation among diverse citizens and experts on strategic areas. This deliberative process involved 41 participants from Bristol and Bradford engaging in 14-hours of in-depth discussion including experts to actively explore their different needs and preferences for a future payments system and the practicality of delivering these from a systems perspective.

The core message from this dialogue is clear: consumers need payments to help them stay in control of their money

In an increasingly digitalised world where cost of living pressures have made it harder for people to feel on top of their finances, where consumers and businesses alike face huge cyber-security threats, and where consumers are constantly being offered more online shopping choices, consumers crave a payments system that gives them this feeling of control.

There is a strong appetite for more visible, predictable and flexible payments that can make consumers feel more in control of their everyday spending and recurring payments. Currently, consumers are provided with elements of control by consumer-centric features often delivered via banks' or payment firms' apps. Participants often spoke warmly about such features. However, the ability to give control to consumers can be stymied by the way a payment scheme is built, or how scheme rules are drafted, and the inability to adapt infrastructure to new risks and needs. Frustrations cited included:

- Direct Debits not 'working' at the weekend;
- the lack of visibility of Continuous Payment Authorities (CPAs) in bank accounts; and
- payments remaining pending for some time.

These areas of frustrations are where consumers see payments as being inconvenient and failing to meet their expectations to deliver more control. They would welcome future innovation to address these issues. However, in general they are not actively seeking improvements to be made in payment speed, feeling they have optimal speed in paying today. Looking to the future, consumers expressed caution about moving to a more frictionless system, fearing that it may erode social interaction, increase isolation and lower their feeling of control (eg through leading to overspending).

Consumers' desire for control is also visible in their expectations for security, protection, choice and resilience.

Security and Protections: the foundation of control

Strong security and adequate payment protections are central to consumers' maintaining a feeling of control over their personal finances and purchases. Fraud is feared precisely because it results in a loss of control, leaving people reliant on their bank for reimbursement while criminals are spending their hard earned money.

Participants view payment security as a shared endeavour, with responsibilities distributed between consumers, banks and payment providers, government and regulators. Although reassured both by the extent of what banks do to protect their payments, consumers place a high value on payment purchase protections (eg chargeback and Section 75) as a crucial last line of defence. These protections reinforce their sense of control over their shopping experiences.

Choice: greater control to more people

Most of the time, participants didn't see an overarching need for greater choice in the payment options open to them individually. Instead, participants felt that greater choice should be deployed as a tool to ensure that payments become more accessible and inclusive, delivering greater control to a wider range of people. Crucially though, people need compelling reasons to try and to trust new payment providers and methods.

Resilience: maintaining control in all circumstances

Recent high profile cyber hacks were at the front of participants' minds and meant they prioritised the need to have back up payment options to ensure both personally being able to pay and the system as a whole continues to operate. The tangibility of cash makes participants feel more in control and acts as a personal safeguard against larger scale digital events that are outside of their control. Despite being sceptical that resilience can be delivered through solely digital means, participants are open to being convinced how this might be achieved.

Recommendations

Based on the detailed discussions and insights from the payments dialogue, we make three strategic recommendations to ensure that the consumer interest is embedded in the development of future payments both now and on an ongoing basis:

- 1. Government's central role:** Payments are critical to the functioning of modern society. Participants want and expect the government to play a central role in guaranteeing the resilience of essential payments infrastructure, setting the strategic direction for payments innovations, and defining public policy challenges to be addressed.

2. **Consumer engagement is critical:** Members of the public are able to quickly grasp complex topics, assess trade-offs and conflicts, understand the different drivers which motivate actors in the payments ecosystem, and suggest pragmatic and realistic ways forward. Engaging with a cross section of consumers should be a mandatory and integral part of the policy and design process which will determine the future of payments in the UK.
3. **Dynamic and responsive systems:** The payments system must retain a sense of dynamism and remain responsive to consumer needs and preferences. The Payments Vision Delivery Committee (PVDC) must ensure there are regular (eg annual) reviews of the current state of UK payments. Mechanisms should be put in place to increase the ambition of standards / schemes over time, in line with changes in consumer expectations and technological developments.

Immediate improvements consumers want to see

Through conducting this public dialogue, this research identified a number of immediate, practical improvements consumers want to see in payments that will give them greater control. These should be actively explored by the Retail Payments Infrastructure Board (RPIB) and Delivery Company under the innovative new model to deliver the next generation of UK retail payments infrastructure. Further consumer engagement will be required in each of these areas to ensure their design meets end-user needs. These immediate improvements include:

1. **modernising payment protections to reflect how people shop now (eg via online marketplaces, booking platforms, social media sites).**
2. **optimising and personalising security to minimise disruption but still reassure consumers.**
3. **offering less clunky person-to-person payment options which simplify setting up new payees.**
4. **giving consumers more clarity and certainty about when payments leave their account.**
5. **putting consumers in control of recurring payments through the adoption of commercial Variable Recurring Payments (cVRPs) with the right protections.**
6. **developing and promoting features which offer consumers greater convenience and control, such as notifications, pots and better options to allow people who need extra help with their money to give trusted individuals limited access to funds.**
7. **addressing the inability to make offline digital payments to give consumers more confidence in the resilience of digital payments.**

Introduction

We currently stand at a critical juncture in the development of UK payments. The way we pay is rapidly changing due to the pace of technological change. At the same time, our payments infrastructure is ageing and is long overdue an upgrade to allow the UK to remain at the forefront of payments innovation.

Recognising this ‘inflection point’, and the consequent need for action, the UK government has taken a series of important steps over the last year. It published the National Payments Vision (NPV)¹ which seeks to achieve 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. Building on this, the Payments Vision Delivery Committee (PVDC) announced an innovative new governance model.² The PVDC is a senior cross-authority group featuring the Bank of England, Financial Conduct Authority (FCA) and the Payment Systems Regulator (PSR), and chaired by HM Treasury. Its new model seeks to drive the renewal of the UK’s retail payments infrastructure, and is based on collaboration between the public and private sectors, signifying a greater involvement for government and the regulators in strategic decisions about payments.

In November 2025 the PVDC published its Strategy for Future Retail Payments Infrastructure.³ This document featured five high-level strategic outcomes anchored around expanding payment choices, promoting inclusion, combating financial crime and ensuring resilience. The newly-formed Retail Payments Infrastructure Board, chaired by the Bank of England and including broad representation across the payments ecosystem, is tasked with leading design and delivery oversight of the Strategy.

With this flurry of activity, it’s clear that foundational building blocks are being put in place to enable a transformation of the UK retail payments infrastructure. Over the next few years, a series of far-reaching decisions will need to be made to turn the aspirations of the NPV, and the desired outcomes of the PVDC strategy, into reality.

As decisions are made about the future of the UK’s retail payments infrastructure, it’s imperative that what consumers want and need from payments is heard and reflected in what is developed. On this front, both the National Payments Vision and the PVDC Strategy say many of the right things, for example the Strategy asserts that it *“has been developed with the needs of users, including those of end users, at its core.”* Meanwhile, both the FCA⁴ and PSR⁵ have explicit statutory objectives to protect consumers and take their needs into account.

¹ HM Treasury (2024). [National Payments Vision](#).

² Bank of England (2025). [Payments Vision Delivery Committee update](#).

³ PVDC (2025). [Strategy for Future Retail Payments Infrastructure](#).

⁴ The FCA has a consumer protection objective which is: securing an appropriate degree of protection for consumers. See

<https://www.legislation.gov.uk/ukpga/2000/8/part/1A/chapter/1/crossheading/the-fcas-general-duties>

⁵ The PSR has a statutory objective to ensure that payment systems are operated and developed in a way that considers and promotes the interests of all the businesses and consumers that use them. See <https://www.legislation.gov.uk/ukpga/2013/33/section/52>

Some might question whether this really matters - isn't it better to focus on the technical aspects of building payments infrastructure or developing scheme rules first and leave all the end-user stuff until later? This would be a fundamental mistake, and could potentially undermine government ambitions. Recent history makes clear that failure often follows when initiatives don't actively seek and reflect consumer input, for example industry plans to phase out cheques which had to be abandoned since the proposals did not properly consult with, or account for, consumers who relied on this payment method. Meanwhile, the struggle for adoption and the subsequent withdrawal of PayM was at least partially due to a failure to properly take account of the consumer interest when building the user experience.⁶

Over recent years we have also seen that the primary focus of payments initiatives has often been on delivering a technical solution or meeting commercial industry interests, such as meeting industry demands for speed and convenience. While it is right that new payments initiatives take account of commercial considerations, this should not be at the expense of consumer interests. Prioritising the commercial focus has meant that payments propositions have not met wider societal needs, most notably in the failure to develop and deliver inclusive digital payments options. To date, the full social and economic cost of this failure has been masked by an ongoing reliance on cash as an alternative. However, as the trend away from cash usage and acceptance continues, the risks and costs associated with this approach are likely to increase significantly. More pressingly, this accelerating trend increases the risk of people being actively excluded from essential services and everyday life. People may struggle to pay for things like public transport or car parking because inclusive digital alternatives have not been developed. This makes the need to tackle payment exclusion an increasingly urgent issue, and one that will worsen over time unless proactively addressed.

The exclusion of consumer voices has also meant that payments developments have not addressed issues of most importance to them. In several cases the payments industry has had to introduce extremely costly, reactive measures to correct flaws in the system. These problems could have been better addressed in the formative stages of development if consumer input had been sought about what they want and need from payments. A good example is the Confirmation of Payee (CoP) service. CoP checks if the payment recipient's name matches the account details. However, it was only introduced many years after the Faster Payments System went live, and after countless instances of misdirected payments and Authorised Push Payments (APP) where criminals tricked consumers into sending money to accounts using fake names.

This failure to integrate consumer wants and needs into the development of payments initiatives has continued with more recent initiatives. Even now - some eight years after Open Banking launched in the UK, and with rising numbers of Open Banking payments now being made⁷ - these payments still do not feature any form of payment purchase protections. The Open Banking Implementation Entity (OBIE) featured both a designated Consumer Representative and an SME (Small and Medium Enterprise) Representative on its Steering Group so the technical implementation served the needs and interests of end-users. Although they were able to achieve notable successes, for example in the

⁶ We discuss PayM in more detail in Chapter 1.

⁷ [Open banking surges to 15 million UK users as July marks record adoption.](#)

development of the Customer Experience Guidelines,⁸ they had limited formal decision-making power within the OBIE's governance structure, meaning their input amounted to more of an advisory role.

Looked at in the round, we can see that the UK has persistently followed a model that does not work well for consumers or the payments industry. This approach has necessitated extremely costly retrospective action to correct flaws in the system which could have been better addressed at the formative stages of development.

We now have a once in a generation opportunity to learn from past mistakes and to do something differently. This is not just about embedding the consumer voice at the heart of payments, to ensure that the single biggest user group has an opportunity to influence what is developed. It's about seeking a way to do things better and smarter, to avoid the need for subsequent costly interventions, and to ensure that future payments innovations truly meet consumer needs now and over their lifetime.

The NPV and the associated PVDC Strategy address some of these issues, for example signalling more involvement from government and the regulators in setting the strategic direction for payments innovations, and defining public policy challenges to be addressed (eg to tackle fraud and to address digital payments exclusion). But there is more to do to ensure that what is developed properly takes account of the consumer interest. It's important that as we stand on the cusp of a new dawn for payments in the UK, we don't just pay lip-service to the need to meet consumer needs but make the most of this moment, and embed it in the way that payments innovations and initiatives are developed.

What we know about consumers

Past research and behavioural data have been valuable in highlighting changing consumer behaviours, what consumers' top priorities are when using different payment systems and the needs of specific communities experiencing challenges.

Payment behaviours

Consumers' payment behaviours have changed dramatically over the years, most notably a shift away from cash towards digital methods in the last 20 years. This digital transition was accelerated by the COVID-19 pandemic. Debit cards are now the dominant payment method, accounting for over half of all UK payments in 2024, with contactless and digital mobile wallets having seen rapid adoption in recent years, particularly among younger demographics.^{9, 10} Despite the dominance of digital payments, cash remains essential for a significant minority of the population.¹¹

⁸ Open Banking. [Customer Experience Guidelines](#).

⁹ UK Finance (2025). [UK Payment Markets 2025](#).

¹⁰ FCA (2025). [Financial Lives 2024 survey](#).

¹¹ RSA (2022). [The cash census: Britain's relationship with cash and digital payments](#).

What people want from payments

Past consumer research has consistently shown that people prioritise convenience, ease of use and speed in their payment methods of choice. However, as noted in the Future of Payments Review, “the critical needs of reliability and security are assumed”.¹² Other important factors to consumers include familiarity, control, flexibility, and trust.^{13,14} More granular research, such as the PSR’s annual consumer research reports,¹⁵ have shown how these priorities change in different scenarios and settings, showing that ease of use and speed matter more for frequent, low-value payments, while protection and security become more important for larger payments, and reliability is key for recurring payments. While these insights are valuable in highlighting the broad priorities for consumers, they do not engage with the practicality of delivering these preferences, or the insights only apply to specific payment methods, meaning that they cannot be extrapolated to consumers’ overall needs and preferences from a future payments system.

Consumer harm in payments today

Many organisations have conducted important research evidencing the consumer harm that some consumers experience in making payments. The Access to Cash review¹⁶ and subsequent publications, such as the cash census,¹⁷ have shown where cash ceases to be accepted, those who cannot or do not wish to use digital payments face increased risks of social exclusion, as well as overspending and going into debt. Other research has highlighted further consumer harm in payments, including poverty premiums for people who cannot or do not wish to use specific digital payment methods¹⁸ or significant gaps in both the protections consumers have for different types of payments and their understanding of these payments.¹⁹

Additionally, certain groups, such as adults with a learning disability, people with visual or hearing impairments or care receivers, can face significant challenges with payments. There has been a lot of valuable research with people with lived experience exploring their needs and preferences. These projects have been instrumental in driving innovations in the support offered to specific groups, such as carers’ cards,²⁰ spending controls²¹ and accessible chip and PIN devices.²² While there are many digital features available today that support people’s needs, the variation in their functionality, together with the relatively small size of

¹² The [Future of Payments Review](#), p.18.

¹³ Financial Services Consumer Panel (2024) [Consumer understanding and use of non-traditional payment mechanisms and basic bank accounts \(BBAs\)](#)

¹⁴ Personal Finance Research Centre, University of Bristol (2024). [Flexible payments: Understanding payment needs in low-income households](#).

¹⁵ PSR (2025). [Consumer Research 2024-2025](#).

¹⁶ Access to Cash Review (2019). [Access to Cash Review: Final Report](#)

¹⁷ RSA (2022). [The cash census: Britain’s relationship with cash and digital payments](#).

¹⁸ Personal Finance Research Centre, University of Bristol (2024). [Flexible payments: Understanding payment needs in low-income households](#).

¹⁹ Which? (2023). [Can consumers make informed decisions about payment protections?](#)

²⁰ MoneySavingExpert (2025). [Delegated spending cards: cards you can give to others to use for you, but you stay in control](#).

²¹ Money and Mental Health (2018). [A campaign victory: Barclays introduces spending controls for customers](#)

²² RNIB. [What are accessible chip and PIN devices?](#)

specific user groups, has made it relatively difficult to make practical progress towards market-wide adoption of these tools. This means that access to these tools and features remain fragmented and depend on who a customer banks with and their ability to know about and opt in to the services available.

In summary, we already know a lot about how people make payments, their general views towards and preferences for how payment systems should operate and areas of consumer harm today. None of this past research, however, have actively engaged with the practicality of delivering these preferences from a systems perspective and how they would translate into a future payments system.

Methodology: A public dialogue

As the UK's consumer champion, Which? wants to ensure that the work of the PVDC to deliver the National Payments Vision reflects the needs and preferences of all UK consumers. A public dialogue approach was chosen for this purpose.

As consumers, we make payments almost every day of our lives. However, thinking about the future of payments - for individuals, wider society, and the industry - is complex. Public dialogue is a deliberative process during which members of the public interact with specialists, stakeholders and each other to deliberate on issues relevant to future decisions. It enables constructive conversations amongst diverse groups of citizens on complex topics. Not only does it provide in-depth insight into public opinion, it also offers a window into understanding people's reasoning.

Deliberative research specialists, Hopkins Van Mil (HVM), were commissioned to conduct this research project in partnership with Which?. This partnership approach meant that both Which? and HVM took an active role in designing the research process as well as managing both the project fieldwork and analysis.

Structure of the research

Prior to the start of the public dialogue, Which? conducted 20 interviews with stakeholders across the world of payments. This included payment experts, consumer group representatives, large retailers and retail group representatives. These interviews were conducted to improve our understanding of the variety of views and perspectives on the UK payments system today and potential for future innovation. These interviews helped inform the design and generation of research material for the public dialogue.

The future of payments public dialogue involved 41 participants who took part in 14-hours of deliberation over the course of four workshops from early September until mid-October 2025. Participants attended an online context webinar, three online workshops and one in-person workshop (Table 1). They also spent up to an hour contributing their thoughts in their own time to an online space, Recollective.

Each session was carefully designed to build upon the learning and discussions of the previous session, with the structure and content adapted iteratively in response to emerging

insights as the dialogue progressed. During each workshop we utilised a range of methods to inform participants and give them the space to deliberate. These included presentations from the Which? research team, expert external speakers, small group discussions and practical exercises. The breakdown of the workshop structure is outlined in the table below.

Table 1: The research process

Session	Session summary
Online Webinar (1hr30)	Participants were introduced to the public dialogue process, the topic of the future of payments and Which?. This was done to ensure participants knew the scope ²³ and purpose of the dialogue, and to demonstrate the importance of this piece of work.
Online workshop 1 - Payment Choices (2hrs30)	<p>The purpose of this workshop was to explore how payment systems work and the challenges in designing and delivering a payments system that is inclusive of the diverse needs of consumers at a reasonable cost.</p> <p>This was done through participants discussing in small groups their own pros and cons of different payments and then case studies of specific consumer challenges people experience with payments today. In the second half of the workshop participants listened and asked questions to three expert speakers from a small, independent retailer, a large retailer and a payments system representative about their roles in offering payments to consumers.</p>
Online workshop 2 - Security, Fraud and Protections (2hrs30)	<p>The purpose of this workshop was to explore how crucial elements of payments infrastructure and regulation that protect consumers work and the cost of these.</p> <p>Participants first split into small groups to discuss their experience of security and protections in the payments system. They then heard from two expert speakers about the protections they have when problems occur with their payments and the work banks do to keep payments safe and were given the opportunity to ask questions. In their small groups they discussed these topics in more detail.</p>
Online workshop 3 - Innovations (2hrs)	<p>The purpose of this workshop was to expose participants to potential future innovations in the payments space. They explored what issues innovations may help solve but other challenges they could potentially exacerbate.</p> <p>This was done through expert presentations, firstly on innovations that can create better recurring payments and then exploring how some of the benefits of cash can be applied to digital payments. These included information on what is available now in the UK, international examples and potential future innovations. After each presentation participants could ask questions and then discuss the technologies in their small groups.</p> <p>It should be noted that rather than engaging with specific technologies, these sessions focused on the functionality of these technologies as we were interested in exploring what participants want to be able to do with their payments, both now and into the future.</p>
In-person workshop 4 (5hrs)	The purpose of this workshop was to explore participants' priorities for future payments innovation, bearing in mind both system and consumer needs covered in the preceding workshops.

²³ Participants were informed that the purpose of the research was to focus on the act of making payments, not the financial products attached to them (eg credit and loan products).

Separate sessions in Bristol and Bradford

This was done through four sessions:

1. Re-capping content from the online workshops,
2. Designing how individual features of the payments system should work in an ideal world,
3. Discussing three future system design scenarios of what the payments system could look like in 10 years time, and
4. Writing a message to government in small groups with similar views.

Between each workshop participants were asked to complete small tasks on the online space, Recollective, and were able to re-watch the expert speaker presentations. More detail of the research process can be found in the Annex.

The participants

To ensure a diverse range of public perspectives, participants were recruited through HVM's specialist partner, Acumen, following a detailed recruitment specification developed by HVM and Which?. The recruitment approach was designed to reduce the likelihood of bias and achieve demographic balance across the overall sample in terms of age, gender, life stage, social grade, household income and ethnicity, to broadly reflect the UK population.

A total of 46 adults were recruited to achieve 41 participants across two locations: Bristol and Bradford.²⁴ Participants were recruited from areas within a 10-mile radius of both locations, with a mix of urban and rural residents included. We chose these locations because the south west and Bradford had amongst the highest and lowest drops in cash use during the pandemic, respectively.²⁵ Additionally, they suitably offered a good mix of urban and nearby rural inhabitants and diversity of population to conduct the research.

To achieve the aim of reflecting the needs of all consumers, including those who might struggle to make payments, the sampling employed targeted quotas to boost representation among groups whose voices are often underrepresented or who might face particular challenges in making payments, including disabled people or those with long-term health conditions reliant on care, carers, and people in financially vulnerable circumstances, including living on fluctuating incomes. Participants were selected to include those with varying levels of financial literacy, digital confidence and at least two in each group were reliant on cash.

Participants were also screened to exclude anyone working in financial services, fintech, consumer policy or regulation to ensure that the dialogue genuinely represented consumer perspectives, not professional or sectoral interests.

²⁴ Five participants dropped out during the course of the research, resulting in 41 participants fully completing the research process.

²⁵ RSA (2022). [The cash census: Britain's relationship with cash and digital payments](#).

Advisory Group

We appointed an independent advisory group for the public dialogue to provide constructive challenge to Which? on the overall approach to the research and its relevance and to advise on the appropriateness and balance of the information and stimulus included in the research. Advisory group members represented a wide range of experts across the payments industry, including banks, payment providers, retailers and consumers (see page 1 for the list of advisory group members).

The advisory group met three times during the project, providing feedback on the purpose of the project, structure of and materials used in the research and to discuss emerging findings and policy recommendations. Their feedback was influential and constructive throughout the research project. They challenged us to be more future framing in our design, ensuring that participants both thought through the pros and cons of the payments system today but also looked to the future, exploring the opportunities and risks that could arise. They were instrumental in helping to shape the questions we asked participants on how individual features of the payments system should work and the framing of our future system design scenarios.

A note on language and reporting on a qualitative process

This project was designed as a public dialogue, a qualitative approach that brings together members of the public to learn about, discuss and reflect on complex issues in society. Rather than seeking statistical representation or quantifiable measures of opinion, public dialogue focuses on the depth and diversity of views. It enables participants to consider new information, explore trade-offs and deliberate collectively about what matters most to them and to society.

Findings presented in this report are therefore interpretive and illustrative. They reflect the themes, priorities and reasoning expressed by participants during discussions, rather than fixed percentages of opinion that can be generalised. The insights represent what participants thought and felt after they had the opportunity to engage with expert evidence, hear others' perspectives and reflect on their own experiences.

Throughout the report we use qualitative language, such as *many participants feel ... a few participants raised concerns that... there is broad agreement that...* These phrases indicate the balance of views observed throughout the dialogue while recognising that there was nuance and variation within and between groups.

Our aim throughout this report is to represent our participant's views accurately and in their words, wherever possible. Quotations are used to illustrate key themes, with identifying details and filler words removed to conserve anonymity and aid clarity.

This report

The rest of this report presents our research findings and recommendations to the payments industry as follows:

Chapter 1: How consumers feel about payments - the context to our future dialogue discussions outlines how our participants view payments today and three critical factors which influenced participants' views towards future payments innovation.

Chapters 2 to 6 go through participants' views on different pillars of a future payments system; control, security, protections, choice, and resilience.

Chapter 2: Control demonstrates the centrality of participants' desire to feel in control of their payments, emerging as an overarching theme from our dialogue. The chapter outlines areas participants have welcomed more control in recent years but also areas where the current functionality of the payments system limits consumers' feeling of control.

Chapter 3: Security explores the importance of strong security in the payments system to participants and where they would like to see future innovation.

Chapter 4: Purchase protections covers participants' discussions on how they think payment purchase protections should be delivered in the future, as well as their interest in conditionality and reversibility of payments as alternative means of offering protection.

Chapter 5: Choice explores participants' views towards greater choice in a payments system, both from their individual perspective and a societal perspective.

Chapter 6: Resilience covers participants' views on resilience being crucial in the future payments system, both to meet individuals' need for personal resilience and the need for strong system-level resilience.

Chapter 7: Summary and Recommendations brings together our research findings and recommendations, outlining a number of immediate improvements consumers want to see to payments and broader recommendations to the PVDC.

Chapter 1: How consumers feel about payments - the context to our future dialogue discussions

Chapter summary

- While the vast majority of participants think that payments work well today, they organically picked out many areas of the payments ecosystem that do not work well and frustrated them throughout the research project.
- Person-to-person payments and the speed of payment clearing were two areas that participants would like to see improvement.
- Additionally, the ability of different payment methods to meet consumers' needs and preferences changes over time, so agility must be built into the system design. Three recent events / changes in consumer behaviour underpinned many of participants' conversations during this public dialogue, highlighting the need for agility:
 1. **Cyber-security threats:** The recent computer system hacks suffered by major businesses were central to consumers' views that security and resilience must be prioritised in system design
 2. **Changing shopping habits:** Changes in shopping behaviours, particularly the growth in social media commerce, meant that participants felt that payment protections must better keep pace with changing behaviours
 3. **Cost of Living:** Many of participants' discussions on problems with current payment options and future innovations they would like to see were underpinned by the need to be able to better manage their payments and finances, given continued cost of living pressures.

1.1: The vast majority of consumers are happy with their payments but still have their own individual pain points

For the vast majority of UK consumers, payments are not something they think about in their day-to-day lives. For most, it is a seamless background activity which allows them to go about their days smoothly, from purchasing a morning coffee and paying for public transport via their phones, to automatically paying for their monthly energy bill. As noted by the National Payments Vision, "the UK has long been a global leader in payments" and this is visible when talking to and surveying consumers.²⁶

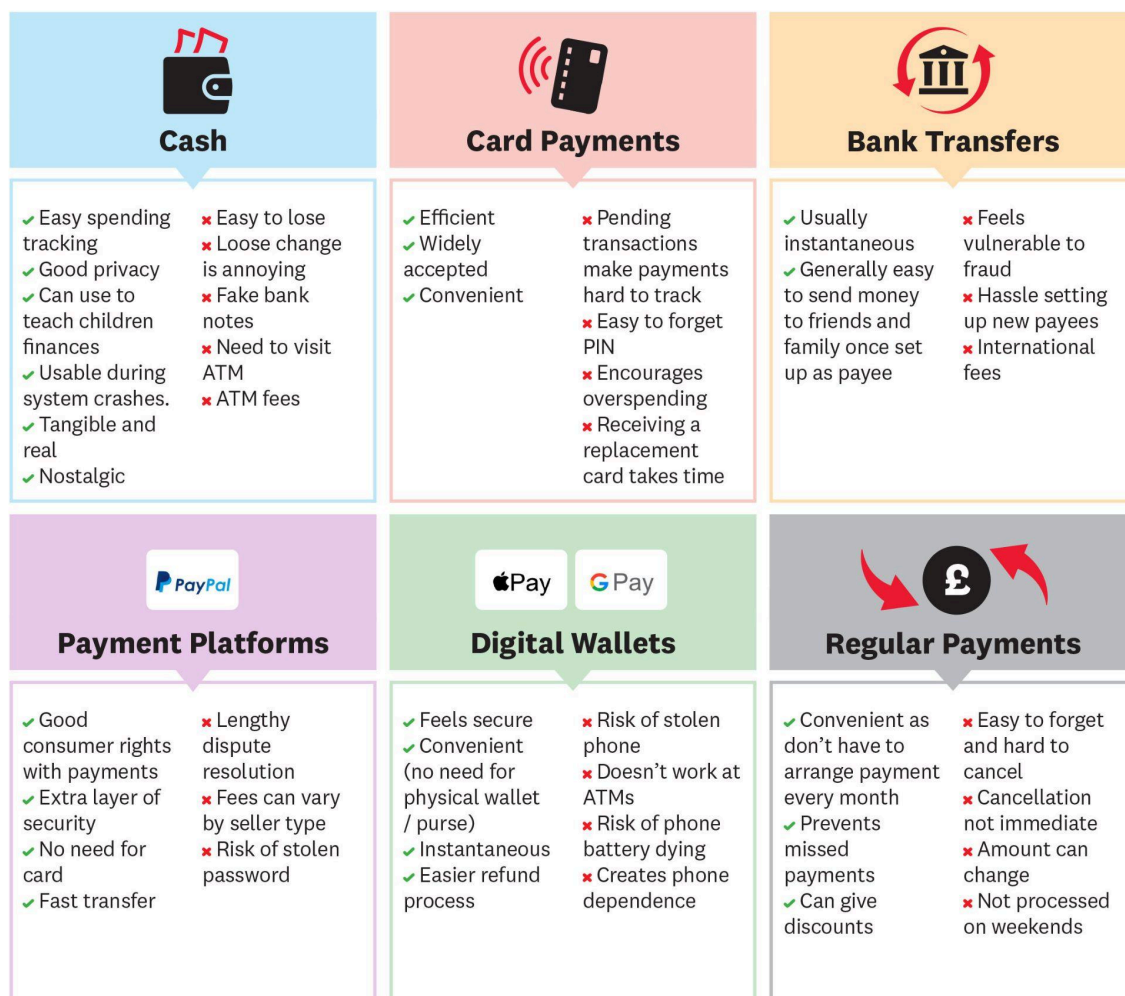
At the start of our public dialogue we asked our participants how well or badly they think payments work at the moment. Almost half of them (49%) said very well and 47% fairly well. Only two participants (4%) said they work fairly badly. These figures broadly reflect a lot of consumer research into payments to date that shows the vast majority of consumers are

²⁶ The PSR's [Consumer Research 2024-2025](#) research found that 95% of consumers feel that payments are working well.

content with their payment options,²⁷ with a small but nonetheless sizable percentage of society experiencing more acute problems with their payments.²⁸

Despite the vast majority of our participants being very positive about their personal payments experience, by following our public dialogue and getting them to really think about the minutiae of payments, lots of individual pain points organically materialised. The graphic below outlines some of those that arose in participants' discussions during the first workshop, as well as the aspects of different payment options they like.

Figure 2: Participants' pros and cons of current payment methods



These pain points came out naturally through discussion, with participants questioning why certain systems are designed in the way they are and why they can't work differently. Many of these pain points and benefits of different payment methods are known already, such as

²⁷ *ibid.*

²⁸ There is not one measure of those experiencing more acute problems with payments, but with [millions of cases of payment fraud every year, 1.2 million adults being digitally excluded, 0.9 million adults being unbanked](#), those facing issues with cash access and acceptance and user groups with unmet specific needs, millions of people in the UK face problems with their payments.

the reasons why many prefer to use cash over digital methods,²⁹ the reasons why many choose not to use Direct Debits³⁰ or the hassle of setting up new payees for bank transfers.³¹

Two of the biggest current pain points for our participants were person-to-person payments and the speed of payment clearing.

Person-to-person payments

A number of participants said they found setting up person-to-person payments within banking services frustrating. Participants griped about the clunkiness of setting up a new payee, having to find out and enter their sort code and account number. One participant was frustrated that people's details are saved, even if they plan to just pay them once.

“I know PayPal actually pays someone with their email or phone number. And I have used it more when I'm paying someone at work who I don't want to ask for their sort code and account number, because I don't want them in my bank forever. I just want to send them a one-off payment and that kind of makes it easier because I can just search my numbers, it's there, it goes.” Participant, Bradford, Workshop 2 (W2)

This rigidity in the current person-to-person infrastructure does not meet consumer needs. In our workshop on innovations, participants heard about the M-PESA payment system in Kenya³² that uses mobile numbers rather than account numbers for person-to-person payments. Many participants would like a similar system in the UK that works more seamlessly with the rest of the payment systems they use.

“We were talking over the last few weeks about using your telephone number rather than your bank details and things like that, which sound to me really, really interesting. So this enhanced functionality and flexibility, using the technology we've got now, is what I would like us to be doing.” Participant, Bristol, W4

The policy perspective

The Future of Payments Review³³ called out the process of manually entering a sort code and 8-digit account number as “*clunky (relative to international comparators)*” and suggested this needed to be improved in the coming years. While some banks have innovated in this space to streamline some elements of person-to-person (P2P)

²⁹ PSR (2024). [Barriers faced by cash-reliant consumers in using digital payments](#).

³⁰ Personal Finance Research Centre, University of Bristol (2024). [Flexible payments: Understanding payment needs in low-income households](#).

³¹ The [Future of Payments Review](#), p.9, called out the process of manually entering a sort code and 8-digit account number as “clunky (relative to international comparators)”.

³² <https://www.m-pesa.africa/>

³³ Garner, J. (2023) Future of Payments Review, p.9: https://assets.publishing.service.gov.uk/media/6557a1eb046ed400148b9b50/Future_of_Payments_Review_report.pdf

payments,³⁴ for many consumers, the current process for setting up a new payee (whether it is sending money to a friend, family member or tradesperson) remains a source of frustration.

There is a clear desire for something better to be developed so that it improves the customer experience without compromising the security of payments. In this regard, we are encouraged that the PVDC Strategy makes clear that the next generation retail payments infrastructure should explore the use of alias-based payments - ie facilitating payments between parties without the need of sensitive or account-related information. As part of this activity, careful consideration should be given to the reasons for the failure of PayM which was launched in 2014 to simplify person-to-person payments but was closed in March 2023. The Future of Payments Review³⁵ attributed its failure to a clunky 'opt in' process rather than automatic opt in, lack of consistent branding, and disproportionately high per-transaction costs. It concluded that *"looking to the future, for new and improved payments journeys to be widely adopted, they need to be: ubiquitous, slick with an easy or automatic sign-up process, commercially sustainable, embedded in the existing customer journey/app and widely promoted"*.

It will also be important to take into account the widespread adoption of a convenient and secure person-to-person service could have on the demand for cash and other payment methods.

Speed of payment clearing

Delays in payments being debited from bank accounts and credit cards was raised as a stressor by many participants. They spoke about feeling frustrated that payment clearing isn't always in real time. Participants said that in the future they wanted to be able to look at their bank account or credit card and see, immediately after a purchase, a totally accurate value of their money available or credit card spending level.

"Even when I log on to my banking app, it says the payment is pending, but I never quite know as to whether the balance that is showing at the top is pre or post pending. So I always have to worry about that." Participant, Bristol, W4

"Also I feel like, because it says sometimes it takes however long for money to be pulled out of your account. I also wonder if it takes a week and you go through the week and you spend a lot of money on Monday and then you don't know how much you've spent on Monday and then you keep going, keep going, keep going."

Participant, Bristol, W3

³⁴ For example, Monzo offers account holders the ability to send money to other Monzo account holders and also the ability to send a payment link to anyone, including those who do not have a Monzo account, using its Monzo.me feature.

³⁵ Garner, J. (2023) Future of Payments Review, p.63:

https://assets.publishing.service.gov.uk/media/6557a1eb046ed400148b9b50/Future_of_Payments_Review_report.pdf

International bank transfers were also mentioned. Participants would welcome improved processing in this area.

“If you want to do an international bank transfer it takes a horrendously long time. Why would I have my money stuck somewhere for like 30 days when I could literally go pay whatever percentage I'm charged by Western Union whatever and get it sent straight away. So I, as much as I say I don't like to pay for things, I pay for that convenience, I pay for that ease because it means that I can get what I want done faster. So yeah, I think sometimes you do have to pay for what you want.” Participant, Bradford, W4

The policy perspective

Instant clearing for all consumer transactions is a critical component for enhancing the consumer experience and improving the visibility of payments. It would allow consumers to see money leave and arrive in their accounts simultaneously with the transaction itself.

While we understand there are technical reasons for the current variation in payment clearing times related to system functionalities / limitations and other factors, from a consumer perspective these are not visible or predictable. Going forward, instant clearing is required across all payment types, whether a consumer is paying their gas bill, using contactless to pay for their travel to work, or receiving a salary. A fragmented system, where some transactions clear instantly and others do not, introduces confusion and inconsistency which undermines the feeling of control.

Only as a critical, last-resort intervention where there are reasonable grounds to suspect a payment is fraudulent and more time is needed to investigate should banks make use of recent legislative changes to delay payments.³⁶ Where this is the case, clear communication with consumers is required.

The need for improvement in person-to-person payments, the speed of payment clearing and the other pain points outlined in Figure 2, shows there is always room for improvement in payment systems. Additionally, the ability of different payment methods to meet consumers' needs and preferences changes over time, so agility must be built into the system design. Three recent events / changes in consumer behaviours underpinned many of participants' conversations during this public dialogue, highlighting the need for agility.

1.2: Hacking, increasingly digital shopping habits and cost of living pressures were topics that underpinned many of our conversations during this dialogue

³⁶ HM Treasury (2024). [New powers for banks to combat fraudsters](#).

Hacking

In the weeks around our workshops, the news was full of headlines about the continued impact of computer system hacks suffered by Jaguar Land Rover and Marks & Spencer.³⁷ There was a strong sense that if these large, household-name companies could be hacked and held to ransom by computer hackers, then parts of the payments system could be too. This context was raised most often in conversations around the security and resilience of the payments system and served to sharpen participants' appetite for ongoing innovation to fend off hackers and scammers.

“Judging by the last few months of the finances of large scale companies, that one would imagine have a better security than you or I, (BBC; JLR; M&S; CO-OP; Harrods), it must rock the system that the "staying in control" is no longer a certainty and the hackers seem to be winning on an unprecedented scale.” Participant, Bristol, Recollective

Shopping habits

The way we shop and where we shop, particularly the shift in online shopping from merchants to social media channels, were referred to often during our process. This is not surprising. Recent Which? research has found that nine in 10 consumers have made purchases on online platforms like eBay, Amazon Marketplace, Etsy and AliExpress within the last two years. One in nine have bought directly from either Instagram or Tiktok Shop in the last two years (12%).³⁸

Participants spoke about their changing shopping behaviours, with many talking about their increased use of social media as a source for buying products. There is a sense that social media companies are increasingly powerful experts at keeping our attention and monetising it. Throughout the research participants had questions about how this relatively new area is regulated to protect consumers from harm.

“When someone's advertising something like a car and they're asking for a deposit - you go, that's obviously a scam. Personally I will kind of report it immediately, saying this looks dodgy to Facebook or something but how does anything happen? I guess, if there is a gap on social media in terms of advertising and stuff like that, what can be done about it? Are there things that we can already do or do they need to be improved?” Participant, Bradford, W2

The cost of living

The ability to efficiently and effectively manage your own money has always been a crucial need for all consumers from a payments system. Despite our participants having varying

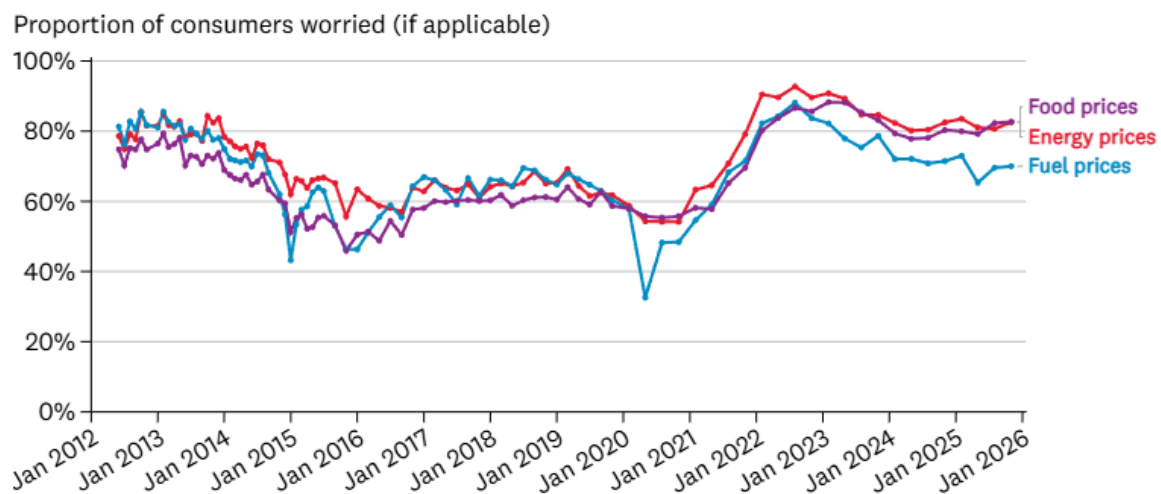
³⁷ Eg [BBC website](#), [Guardian](#), [Financial Times](#).

³⁸ Online Poll with 2,096 UK adults. The survey took place from 5th to 6th November 2025. The data is weighted to represent the adult population of the UK by age, gender, region, social grade, working status and housing tenure.

levels of incomes, this need to feel more in control of their payments was seemingly front of mind for all our participants.

The cost of living crisis continues to have a lasting impact on consumer sentiment. Our Consumer Insight Tracker, which has tracked consumer sentiment for over 12 years, shows that worry about high prices has remained high throughout the last four years and doesn't show any signs of falling to pre-cost of living crisis levels.³⁹ The chart below shows over four in five UK adults are currently worried about food and energy prices (both 83%) and this worry remains high across all income levels. Further, recent research by More in Common showed many feel the high cost of living is a permanent state, with 57% of Britons saying they are unsure whether the crisis will ever end.⁴⁰

Figure 3: Consumer worry about the price of essentials has remained high from late 2021 onwards



Source: [Consumer Insight Tracker](#). Approximately 2,000 respondents per wave. UK level data are weighted to represent the adult population of the UK by age, gender, region, social grade, working status and housing tenure. Respondents had the option to select not applicable if they felt that consumer issue did not apply to them. If they selected not applicable they are not included in the proportion.

Rising prices and a sense that wages aren't keeping up, led participants to talk about actively choosing payment options that help them afford what they need and better manage their finances. Payment platforms offering Buy Now, Pay Later options (a form of interest-free credit that lets consumers split purchases into installments) such as Klarna were referred to in this context.

“I do tend to go to PayPal. I have also used Klarna in the past. Again, if it's a bigger sort of buy, it is nice to pay it in three without any interest.” Participant, Bristol, W1

“It's now very easy to overspend your budget when you're tapping on a credit card. Now I try to keep all my receipts so I can have a morning of doing my admin and making sure that I haven't missed anything. And missing stuff is on a card. Whereas if you put your hand in your pocket, and you've no longer any cash, then you know, we're all working to a budget nowadays.” Participant, Bristol, W1

³⁹ Which? (2025). [Consumer Insight Tracker: Consumer worries dashboard](#).

⁴⁰ More in Common (2025). [Let's do the Doom Loop again: Britons and the Budget](#).

Spending tools like payment notifications, pots and spending controls were also mentioned as useful tools to help consumers manage their money and stay in control. Participants who weren't aware of these tools, either because their bank doesn't offer them or require an opt-in, were very interested in them, asking other participants questions about how they work and how they can access them.

The policy perspective

The fundamental desires that underpin consumer behaviour in payments largely remain constant. What evolves is the expectation of how these needs are met. For example, until recently the desire for security meant using a physical card with chip-and-PIN, while today consumers unthinkingly make use of multi-factor, biometric authentication. Meanwhile, we have witnessed significant leaps in the technology which has transformed payments.

The pace of change looks set to continue, or even accelerate. With this in mind, there is a need for a migration towards a more agile, nimble payments framework that would be better positioned to respond to emerging, as yet unthought of, risks and challenges, as well as being able to integrate new technologies seamlessly and to respond to evolving consumer expectations.

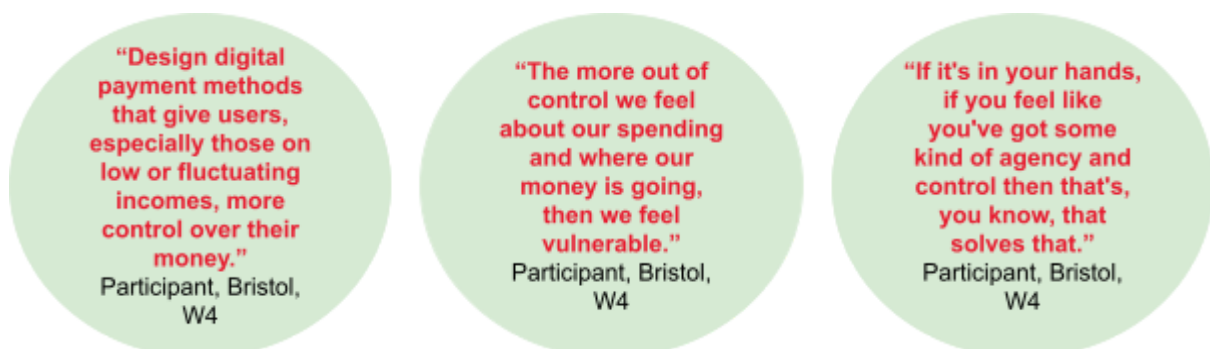
A core component of this new framework should be the scheduling of regular reviews. These would help to make sure that the framework remains responsive to evolving consumer needs and technological developments over the coming years, helping the system retain a sense of constant dynamism. We discuss this in more detail in Chapter 7.

Chapter 2: Control

Chapter summary

- The core message from this dialogue is clear: consumers need payments to help them stay in control of their money.
- Consumers need greater visibility, predictability and flexibility to enable them to feel more in control of their everyday spending and recurring payments.
- Currently, consumers are provided with elements of control by consumer-centric features often delivered via banks' or payment firms' apps. Research participants often spoke warmly about such features.
- However, the ability to give control to consumers can be stymied by the way a payment scheme⁴¹ is built, or how scheme rules are drafted, and the inability to adapt infrastructure to new risks and needs. We see this in the frustrations voiced about Direct Debits not 'working' at the weekend, CPAs not being visible in bank accounts and some payments remaining pending for some time.
- Participants feel they have optimal speed in paying today and fear a more frictionless system.
- Embedding consumer control into the core design of payment systems should be a focus of the PVDC's work.

In our more digitalised world where cost of living pressures have made it harder for people to feel on top of their finances, where consumers and large businesses alike face huge cyber-security threats, and where consumers are constantly being offered more and more choices online of places to shop, **staying in control of their money felt more crucial than ever for our participants**. This desire for a future payments system that gives them a greater feeling of control is central to participants' vision for the future and an overarching theme from our dialogue with consumers. In this chapter, looking at everyday spending and recurring payments, we will explore the strong appetite for more **visible, predictable and flexible payments** that can make consumers feel more in control of their payments.



⁴¹ At its simplest, a payment scheme allows people and businesses to move payments between each other. The legislative definition of a payment scheme can be found at: <https://www.legislation.gov.uk/ukpga/2013/33/section/41>

2.1: Everyday spending

Maintaining control over their everyday spending was a strong driver of participants' preferences for the future of payments. Participants talked of wanting a clear view of where their money is going and what their financial situation looks like.

System overlays and consumer-centric features improve control but only benefit some consumers

Currently, consumers are provided with elements of control by scheme overlays (eg Confirmation of Payee is an overlay for domestic UK-based payments applied to Faster Payments) and the development of consumer-centric features are often delivered via banks' or payment firms' apps. During the research many participants spoke about using these new tools that have improved the visibility of their spending. Other participants, who were not aware of them, were interested in hearing about these from others. The most common tools discussed were notifications, spending forecasts and pots.

Notifications

Many participants talked about their bank accounts that provide instant notifications on their payments and notifications to warn them if a pending payment is going to bounce or tip them into debt. Participants who use these really valued them.

“Using good banks, like, for example, Monzo, where if you've got a payment coming out, they'll warn you before, saying you don't have enough money to cover this payment. And if it's something unexpected, where you forgot to cancel that, it then reinforces, okay, I need to do this.” Participant, Bristol, W1

Spending forecasts

Participants spoke about the increasing availability of spending summaries and forecasts provided by some banks. Some participants either used them already or would like to use them more in the future to help encourage better spending or saving habits.

“It's really useful because you go in and you get this balance forecast and it tells you what they will be taking out or your standing orders or your Direct Debits till the end of the month. And when they list them and you can go in and it shows what's on the 10th of the month they've paid. And it gives you a balance or a predicted balance at the end of the month, which is actually really quite useful.” Participant, Bristol, W1

Pots

Several participants spoke about their use of bank account 'pots' to help them have better control of their spending. Pots for utility bills and regular savings were mentioned. The pots were praised for helping to ensure money is available for costs and avoid being upended by payments you have forgotten you need to make. Some also hope they could use them in the future to help manage bill payments when living in shared housing.

“The money pot thing, it's really good because the money will automatically be put into the pots, and then you know how much money you've got for the rest of the month. Especially in the society that we are in now with the rate of inflation versus the very poor amount of pay rises that we get. I think there is that importance, because I have been in that situation where I've forgotten about Direct Debit, and all of a sudden, £150 come out for my gas and electricity, and I'm like, oh, crap, I'm literally left with nothing for the rest of the month because I've forgotten about it.”

Participant, Bristol, W3

Through a series of case studies and drawing on their own experience, participants discussed how a future payments system could help people in vulnerable circumstances to feel more in control of their payments and finances. Participants felt that the specific tools that they use for their everyday spending could benefit certain groups of people or other tools could be generated to work for other vulnerable groups.

One specific idea participants had is being able to have sight, and even approval, of what an older or younger or otherwise vulnerable family member is purchasing to check its validity. This is a spending control that several participants would like to see in the future.

“We mentioned vulnerable people and if you know that you've got a vulnerable person in your life, there should be something built in so that you get the messages or whatever to your phone to say when this person has made a payment, because they might be able to do certain things, but if you think, “oh yeah, that's okay, mum can carry on, because that looks okay”.” Participant, Bradford, W4

Some participants see a role for Artificial Intelligence (AI) to help spot spending patterns that signify someone may be experiencing a mental health crisis and then trigger an intervention, such as contacting a carer or blocking a transaction.

“With artificial intelligence these days, maybe it could pick up on certain patterns of people when they're spending a bit more recklessly. It might be hard to track who's just being irresponsible with the spending and who's actually got a mental health issue, but it's just something that's come to mind. And then maybe they could notify the user of the spending or give them a call or something.” Participant, Bradford, W1

Many of the ideas participants put forward in this discussion aligned with those proposed by organisations working specifically with communities experiencing challenges, for example Project Nemo and the Money and Mental Health Policy Institute.

The limitations of consumer-centric features

Despite many participants' positivity around controls and tools they now have available, participants openly discussed some of the drawbacks of them. In the first instance, many participants are unaware of the existence of these tools. Throughout the research process participants were talking to each other about the different payment options they used, with other participants probing them for more detail and saying they would look into these when they got home. This also applies to tools that could benefit vulnerable groups; one

participant, for example, talked about the idea of a “carer’s account” and said they “don’t know if that exists” already or not.

Additionally, not all participants want to have these tools for their payments. For example, there is a recognition that for some people, a spending summary or forecast is something to avoid, in the same way you might avoid looking at the dial of the scales in your bathroom – life is easier if you aren’t faced with a list of all you’ve spent or upcoming transactions.

“I personally am on a fluctuating income and I have seen on my Lloyd’s Bank app a spending insights page. I’m too scared to click on it. My weekly spending varies massively, like I could have a week where I don’t do anything, I just go to uni, I go to work and I could spend like, maybe like £30 per week, and that’s it. But I could have a week where my friend would come down from the city and I could spend far too much money.” Participant, Bristol, W4

This prompted a debate over whether certain payment controls should be opt-in or opt-out. Some said they only want a notification to warn them if a pending payment is going to bounce or tip them into debt. Others would like to see a notification every time they spend, to make each transaction more conscious and help influence what they do and don’t buy for the rest of the day or week or what percentage of their funds they’ve spent that day. Most participants felt that, so long as they are tailorable, it should be an opt out system, as they felt most people would benefit from some sort of notification to keep track of spending and avoid it becoming out of control.

While specific consumer-centric features can improve the visibility and control consumers have in their everyday spending, a lack of awareness of them and the fact that different tools only meet certain people’s preferences shows their limitations.

The policy perspective

Research participants were very interested in tools which some challenger banks offered their customers, suggesting that they would help to meet existing needs, or those with specific requirements (eg people who might need to provide some form of access to their account to a trusted friend or carer). However, most were unaware of the existence of such options. This suggests that the current approach of expecting consumers to research what is available to them, to switch accounts, and to opt-in to such tools is not working well.

With relatively low levels of current account switching, particularly among older and vulnerable groups who may face cognitive, emotional, and practical barriers to engaging

with the market,⁴² there is a need to consider how such potentially helpful tools could be disseminated more widely, as well as whether they should be opt-in or opt-out. The current approach does not serve consumers well. For example, in relation to arranging support from a trusted person to manage their everyday finances, the Money and Mental Health Policy Institute (MMHPI) has recently highlighted the wide variation in what banks offer their customers: seven out of 18 offer carers' cards; three offer third party notifications; one offers third party payment control.⁴³ The lack of a standardised approach means that many consumers have to adopt risky workarounds to manage their money. As a result, one in five people with mental health problems resort to sharing their PIN code or bank details with another person to get help with managing money, leaving them at risk of fraud and financial abuse.

Participants feel they have optimal speed in paying today and fear a more frictionless system

Beyond the pain points of person-to-person payments and payment clearing outlined in Chapter 1, participants generally feel that payments for everyday spending are convenient for most people. They certainly do not feel that there is much improvement to be made when it comes to payment speed.

“I feel like they've fixed that problem, really, haven't they, the faster payments? Because we get faster payments, don't we, already?” Participant, Bradford, W4

“I can't really speak for everyone, but I've never really run into a situation where I've needed a payment going faster. It's always felt like... It's been fast enough. Yeah, it's like we've got faster payments, which covers bank transfers, that's pretty much instant. We've got Direct Debits. Recurring payments doesn't really matter how long they take as long as they do. Payments by card are pretty instant and cash is obviously instant.” Participant, Bradford, W4

Looking more to the future, most participants feel that the current ease and speed of the payments system meets everyday needs and expressed caution about a more frictionless future, fearing that it may erode social interaction, increase isolation and lower their feeling of control.

⁴² [The FCA's Financial Lives 2024 - Key findings from the FCA's Financial Lives May 2024 survey \(May 2025\)](#) found that “Many financial services customers stay with the same provider for long periods, especially in banking. As of May 2024, three-fifths (61%) of day-to-day account holders had been with the same provider for at least a decade”, while only 6% of day-to-day account holders had switched in the previous years. Meanwhile, the [FCA's Strategic Review of Retail Banking Business Models](#) (2018) identified differences in characteristics between consumers who switch and those who do not, finding that barriers to switching may include old age, high deprivation, low use of digital channels, small balances held (although this interacts with age), high overdraft use and holding more credit products with their current account provider.

⁴³ Money and Mental Health Policy Institute (2025). [If I Needed Someone: Improving access to third party financial tools for people with mental health problems](#).

“We already can pay really easily, we can just tap, so I don't know, some of it is just like, just doing it for the sake of it. Innovation for the sake of innovation.” Participant, Bristol, W4

Primarily, many were concerned about how this would impact human interaction in society, which could lead to greater social isolation for many. Some participants are specifically concerned about the impact this could have on the social value of businesses.

“I do sometimes feel that it takes away a bit from human interaction because we're all using self-service tills. We're sitting, looking at our phone, ordering a meal on our app, which is a bit depressing. You're not actually talking to anyone a lot of the time... But if you're maybe older and isolated and maybe lonely in your life, then to have that all taken away from you, a very normal piece of interacting with other people, it's quite sad really, that we're increasingly going towards that.” Participant, Bristol W1

Several participants view a future society where everyday payments are frictionless as “dystopian”, where individuals move through life “like zombies”. They also spoke about the risk of it leading to the erosion of cultures and changing the nature of social spaces like coffee shops and pubs.

“I hate that because that's not the art and craft and culture of going in a pub, it's all waiting in the bar and there's a little bit of, you know, and the barman knows who's next and it's all part of the socialisation of the people, you know, if you're just all standing in a line.” Participant, Bradford, W4

Participants are also concerned about how an increasingly frictionless payments system would make them less in control of their spending. Participants seem to like the idea of the act of spending currently and knowing what you're paying for.

“If you are in a restaurant and it automatically charges you for what you've ordered and your presence at the restaurant, you want to make sure that that's right before you leave.” Participant, Bradford, W4

There is also the concern that more frictionless payments could encourage overspending and unhealthy financial habits. Several participants said that paying with contactless makes money seem “less real” as it requires less thought and action on the consumers' part to make the transaction happen. Frictionless payment makes several participants feel less in control of their money, and therefore more vulnerable. Some participants feel it can also make it easier to overconsume or overspend, as shown in academic studies.^{44, 45, 46}

“I think you would maybe end up spending more as well, picking more things up, because there's a kind of, I can't remember the figure, but it's something like 11%, I think, you spend more when you use a card, because it's less friction, you're not

⁴⁴ Broekhoff and Van Der Cruisen (2024). [Paying in a blink of an eye: it hurts less, but you spend more.](#)

⁴⁵ Brown, M., Nacht, Y., Nellen, T. and Stix, H. (2023). [Cashless payments and consumer spending.](#)

⁴⁶ Faraz N., Anjum A. (2025). [Spendception: The Psychological Impact of Digital Payments on Consumer Purchase Behavior and Impulse Buying](#)

given any weight. That's interesting. So if you've got even less friction, that extra chocolate bar that you may need suddenly goes in every week." Participant, Bristol, W4

However, there were some participants that did like the idea of more seamless transactions and there were scenarios participants saw merits in hands-free/more frictionless payments.

"I would actually rather not have that interaction. I would quite like to, for example, if I post something, I like to post it [using a locker service] because I don't have to speak to anyone. I just want to go and do what I'm doing and get whatever, and I don't really like talking to a stranger, so I'd rather just cut that out. The choice to be able to do that is actually great, I do really like that." Participant, Bristol, W4

The couple of participants in Bristol and Bradford who did want more frictionless payments to be a focus of future payments innovation felt that it could create "less unwanted human interaction".

The policy perspective

Removing friction from payments delivers clear benefits to businesses, offering the prospect of increased sales and conversion rates alongside lower operating costs.⁴⁷ While consumers also stand to derive some benefits from increased convenience, the vast majority of our research participants were content with current levels of friction in their payments journeys; in general and in most circumstances they did not want to move to a world of more seamless payments.

As industry enthusiastically embraces the possibilities offered by agentic payments, and the Payments Strategy seeks to deliver a world-leading payments ecosystem delivered on next-generation technology, we urge a degree of caution over removing friction. We are not opposed to innovations which genuinely offer benefits to consumers, including removal of friction that is unhelpful or causes consumers frustration - for example, we're keen to see friction removed from the current process for setting up new payees when making a person-to-person payment. But what is developed should be grounded in giving consumers what they want, rather than being based on the assumption they always want frictionless journeys. In particular, retaining an appropriate level of friction is important to reassure consumers that they retain control and visibility over their spending, and plays an important part in helping to prevent overspending.

⁴⁷ The FCA summarised the benefits to business of removing payment friction in [its proposals about contactless payments](#), noting *"Contactless payments are quicker than payments that have to apply SCA (due to PIN entry). So enabling more contactless payments could have positive secondary impacts on growth, through smoother consumer payment journeys resulting in more sales and higher productivity"*. Meanwhile, [Visa reports](#) that tokenization (the technology that enables frictionless digital wallets/one-click payments) results in a 5% increase in authorization rates (ie fewer failed payments) compared to traditional transactions.

2.2: Recurring payments

Recurring payments are valuable tools both to consumers and businesses, providing convenience and predictability for regular payments. Throughout our workshops we explored the benefits and drawbacks of how recurring payments work today and potential future innovation.

Rigidity in Direct Debits mean they do not always meet consumer needs

Direct Debits were widely used by our participants, with many finding them useful tools to manage their regular payments. Participants, however, brought up various shortcomings with them, specifically rigidities in their design that have meant payments aren't always predictable. One of the main frustrations participants had is when Direct Debit payments fall on the weekend, they don't go out on the date participants expect them to. This results in consumers feeling less in control of their regular payments as they can't always trust their balance is reflective of their current financial situation.

“If it lands on a weekend, it sometimes doesn't come out until the Monday. So weekend days can be hit or miss with Direct Debits.” Participant, Bristol, W1

“It is inconvenient when a payment that's supposed to come on a certain date doesn't come out that day and it comes out either earlier or later and then you have to make sure that you've got that money in that account.” Participant, Bradford, W3

Many participants also shared their frustrations with Direct Debits where they either have little or no control over when the payments are made. They spoke about some businesses only offering one fixed date or only the 1st, 15th or 30th of the month to pay. This rigidity is at odds with the reality that many people face who are freelancers or working on zero-hour contracts and their income comes in at different times. Participants spoke about wishing to be able to tweak the timing to match their pay day.

“Some businesses still only offer you a 1st, the 15th, or the 30th to pay your Direct Debit. That's just completely inflexible and doesn't suit so many people, the students or freelancers or whatever the reason might be where you don't have a certain amount of money consistently in your account. I really think flexibility has to be at the heart of the innovations.” Participant, Bristol, W3

“That's always driven me mad, you're like, ‘oh, can you take this payment on the first when I get paid?’ ‘No, it has to be on the 20th.’ What, when I'm out of money? No, thank you.” Participant, Bradford, W1

In the third workshop with participants, which focused on payments system innovation, they heard about India's UPI Autopay service.⁴⁸ The service allows customers to set up pre-authorisation of a recurring payment if it is going to be above a certain amount. Participants felt this is useful, particularly for bills which can vary quite considerably. Many

⁴⁸ For more information about India's UPI Autopay service, see <https://www.npci.org.in/product/upi/about-upi>

participants liked the prospect of being notified via an app, rather than via an email, which is easily missed or ignored. They felt it gave them more agency over their payments.

“The system from India, I would very much like to see authorisation for things above certain amounts, while having to manually authorise it when a recurring payment changes how much it costs. Because they have to notify you, but an email can very easily get lost. And then you're stuck on the hook for a month when you might have chosen to cancel.” Participant, Bradford, W4

“The one that was in India, the one that, if a transaction is over X amount, then you have to give your permission. I feel like that would help so many people. Obviously, you can set it to your own budget as well. So one person's budget might be £10, one might be £1,000. But I feel like that would especially make people that are a little more vulnerable feel safer as well, because they would have the option to approve, deny, et cetera, and work within their budget.” Participant, Bristol, W3

Another feature of the India UPI Autopay service that received a lot of plaudits is the visibility of all Direct Debits in one place. Some participants spoke about having Direct Debits coming out of different bank accounts and this being hard to manage effectively.

“The UPI, the good thing with that was all your Direct Debits are under that one app, so everything's just on one app on one platform so you can adjust things accordingly how you want to make payments and you can see everything in one place. For instance with me some of my Direct Debits come out of one bank account and then some are with another bank account so I guess having some kind of separate app where you can look at all your Direct Debits and make changes and see when a payment is going to be made or change the date or the frequency of payment. I think that was quite good.” Participant, Bradford, W3

Participants felt that a system like this could help prevent people tipping into a downward debt spiral.

“People who are sort of just living on the edge of their income, it would stop them from spiralling. I know myself when I was younger, you have a Direct Debit bounce that just has a knock-on effect, like dominoes, this bounces, this bounces, and then you can get into debt, which just becomes really, really serious.” Participant, Bradford, W3

Participants voiced support for more flexibility, and specifically being able to delay a recurring payment to allow them to better manage their outgoings with their available income. Participants were pragmatic in their wishes though, recognising the need to balance the needs of businesses in regular payments. There was acceptance among participants that a system that allows consumers to endlessly nudge payments back could lead to debt issues, and they therefore see the sense of companies offering a limited number of flex-payment opportunities.

“You can change the date up to two or three times a year or something like that. I guess it stops people running away, trying to hide from paying what they owe. They're

figuring out how to make sure people don't take the mick and don't end up owing loads of money.” Participant, Bristol, W3

Invisible Continuous Payment Authorities (CPAs)

Many participants talked about their difficulty of seeing and managing the subscriptions they have. Participants shared their frustration with these payments that seem to creep out of your bank account and are not visible when you check your lists of standing orders or Direct Debits on your banking app. After explaining to them that these are delivered through Continuous Payment Authorities (CPAs), linked to their debit or credit card, several participants said they wanted them to be made more visible in the future so they can manage and cancel them more easily.

“The Continuous Payment Authorities, I prick my ears up at that because I have a number of those for various TV channels and magazine subscriptions, that kind of thing. And I diarise them. But I was struck when I looked at my banking app, it gave me a list of all my Direct Debits and standing orders, but not necessarily the continuing payment authorities. That would be very helpful.” Participant, Bradford, W3

“I have a lot of in-app subscriptions and a lot of the times I lose track. Sometimes I sign up for ones and forget that I did. And all of a sudden the money's gone and I don't know what it's for.” Participant, Bradford, W4

Research by Citizens Advice last year found that consumers spent over £600 million on unused subscriptions over the year prior, showing the harm that CPAs create through being less visible to consumers.⁴⁹

The policy perspective

The shortcomings raised by research participants about the lack of visibility and predictability they experienced in the operation of recurring payments, specifically CPAs and Direct Debits, are caused by the design of these systems.

Having existed for over 50 years, Direct Debits are viewed as technologically outdated and slow, with a three-day clearing cycle that can be further impacted by weekends and bank holidays. They are often criticised for a lack of flexibility and transparency, and the long lead times for setting up, amending, or cancelling instructions.

CPAs have attracted considerable criticism for severe problems with transparency and consumer control, with consumers often finding it difficult to cancel them and being unable to rely on similar protection to that offered by the Direct Debit Guarantee.

These payment methods have remained unchanged for very long periods, despite rapid changes in other areas of payments and the criticisms levelled at them. We need to

⁴⁹ Citizens Advice (2024). [Consumers spend £688 million on unused subscriptions in the last year.](#)

acknowledge that part of the reason for this longevity is due to the fact that they work well for most people, most of the time. Critically, they work incredibly well for billers, providing them with guaranteed revenue on a specific day and predictable cash flow meaning that there is little impetus or appetite for change. Added to this, the challenges and costs associated with making changes or replacing major pieces of infrastructure militate against action to deliver improvements.

Going forward, we want to move away from an approach that creates monolithic systems that are difficult to amend to reflect changing needs or expectations, or to offer particular services for certain groups of consumers who may have different needs. We want to see a new approach which:

- embeds the consumer voice in the development of new payments initiatives
- adopts a more agile approach to infrastructure renewal; and
- regularly considers whether there is more that should be offered to reflect new challenges or evolving needs.

We discuss this in more detail in Chapter 7: Summary and Recommendations.

The promise offered by commercial Variable Recurring Payments (cVRPs)

Many of the shortcomings identified by research participants could be addressed by the planned introduction of commercial Variable Recurring Payments (cVRPs).

What are VRPs?

- The PSR defines VRPs as follows: *"VRPs enable customers to safely connect authorised payment providers to their bank account using open banking so that they can initiate recurring payments. These payments only occur with express customer consent, can be made at flexible intervals, and can vary in amount within pre-agreed limits."*⁵⁰
- VRPs are built upon Open Banking technology and utilise the Faster Payments Service rail in the UK.
- There are two main types of VRPs:
 - Sweeping VRPs allow money to be automatically transferred, or "swept," between two accounts owned by the same person or business (often referred to as a 'me-to-me' payment); and
 - Commercial VRPs involve payments between accounts held by different parties, typically a customer and a business (a 'me-to-business' payment).
- Sweeping VRPs were mandated by the Competition and Markets Authority as part of the Open Banking Order, while commercial VRPs are being rolled out commercially, with the features currently being developed and tested.

⁵⁰ PSR (2023). [Consultation paper - Expanding variable recurring payments: Call for views](#).

From a consumer perspective, commercial VRPs will offer consumers greater control and security than both CPAs and Direct Debits, addressing many of the frustrations that research participants voiced. In particular, they:

- enable 24/7 payment processing,
- offer a more secure set-up,
- provide greater visibility of the agreed payment parameters,
- can be amended or cancelled by the customer with immediate effect,
- automatically reject payment requests above the agreed maximum limit,
- do not require the sharing of sensitive bank or card details with the merchant, and
- enable refunds to be processed much more quickly.

While the potential benefits to consumers from cVRPs are clear, we envisage that there may be a need to overcome resistance from merchants / billers (eg utility companies) who are being asked to move from guaranteed payments under existing arrangements to a more flexible regime. Lessons should be learned from the failure of the Request to Pay initiative to achieve widespread take-up despite offering consumers greater control and flexibility over their recurring payments.⁵¹

The development of cVRPs is a key part of the National Payments Vision, supported by the government for rapid, competitive, industry-led delivery. However, like other Open Banking payments, cVRPs lack payment purchase protections, such as card chargebacks or the Direct Debit Guarantee, leaving consumers exposed when things go wrong (eg, firm insolvency or retailer disputes). We cover the urgent need to ensure payment purchase protections cover newer payment methods in more detail in Chapter 4 on Purchase Protections.

2.3: The consumer desire for control

Through exploring what participants want from a future payments system, it is clear that there is a strong desire for greater control. Consumers need **greater visibility, predictability and flexibility** in their future payments system.

The policy perspective: Embedding consumer control into the core design of payments system

Currently, consumers are provided with elements of control by the development of consumer-centric features delivered via banks' or payment firms' apps. As we heard above, research participants often spoke warmly about such features.

⁵¹ Request to Pay (RtP) is a secure messaging overlay that sits on top of existing payment systems and allows a biller to digitally ask a customer to pay an amount, giving the customer flexibility and control over when, how much, and which account they use to settle the payment. See: <https://www.wearepay.uk/what-we-do/overlay-services/request-to-pay/>

However, the ability to give control to consumers can be stymied by the way a payment scheme is built, or how scheme rules are drafted, and the inability to adapt infrastructure to new risks and needs. We see this in the frustrations voiced about Direct Debits not 'working' at the weekend, and some payments not becoming visible or not settling immediately and remaining pending for some time.

The Faster Payments Service, while fast, is built on legacy infrastructure designed decades ago. This makes it difficult, costly, and complex to integrate new features or respond to modern requirements. To address this:

- consumers and their representatives should be involved in discussions about the development of emerging payment methods, and where their need for control might best be met: at the infrastructure layer, via scheme rules or overlays, or by firms developing innovative propositions.
- consumer input should be sought at an early stage, and their views - including their desire for control - should not be relegated to an afterthought once the system has already been built.
- payment systems should be constructed in such a way that they are future-proofed and can respond more easily to new risks, changing consumer needs, or to take advantage of emerging technologies. And to ensure consumer needs continue to be met, the new model to deliver the next generation of UK retail payments infrastructure should build in regular assessments of its performance and set out actions to remedy areas where it is failing.

We discuss these recommendations in more detail in Chapter 7.

The feeling of being in control of their money and spending is not just about the immediate experience of making payments and managing finances to our participants. Throughout the research, control was a cross cutting lens shaping how participants viewed the essential pillars of a future payments system such as security, protections, choice and resilience.

Chapter 3: Security

Chapter summary

- Consumers fear fraud because it creates a feeling of loss of control; people are no longer in control of their money, reliant on their bank to reimburse them and criminals are spending their hard earned money.
- Participants see responsibility for payment security as a shared endeavour, where consumers play a part, alongside banks, payment providers, government and regulators.
- Participants were impressed and reassured both by the extent of what banks do to protect their payments and that they will be reimbursed in most cases.
- To keep pace with the ever-evolving threat of fraud and scams, and to ensure payments are secure, consumers expect their banks and payment firms to continue to innovate, to develop and enhance defences so they stay one step ahead of criminals who will seek to exploit any weakness.
- As a consumer organisation we recognise and appreciate the enormous effort that individual banks and payments firms put into making sure that consumers' payments are secure. However, we think that there is scope to do more at the system level to enhance the security of payments.
- Participants expect other actors - in particular social media platforms, online marketplaces and online search engines - to play their part in delivering security and countering fraud, and in enabling them to feel more in control.

Consumers face a multitude of risks when they make a payment; their money going to the wrong place, being a victim of fraud or having a problem with an item or service they are paying for. Reported payment fraud hit £1.17 billion in 2024.⁵² Ensuring that we all have access to secure payment systems, and access to redress if things go wrong, is crucial in the design of future payment systems.

3.1: Consumers welcome robust security measures

Security, fraud and protections were key features of the payments system that we explored with our research participants. Our second online workshop covered crucial elements of payments infrastructure and regulation that protect consumers and the cost of these to the payments system. Participants heard from the Head of Fraud Risk Management at a major bank as well as the Deputy Editor of Which? Money magazine on what protections they have when things go wrong with purchases.

In that workshop participants learnt that their money is protected against most types of unauthorised and authorised fraud that occurs from their bank account. Many participants were both surprised and reassured by the level of protections they have. One participant shared their experience of protections in practice.

⁵² UK Finance (2025). [Annual Fraud Report 2025](#).

“The banks are more likely to believe you now if you think you've had fraudulent activity on your account: I had a problem about 10 years ago and another in the last couple of months, and I found the process a lot easier to get my money back this time around.” Participant, Bristol, W2

Despite learning about the protections they have, participants were still hugely concerned about fraud and security threats in payments system design. Throughout our workshops, participants continuously ranked security as the number one priority in the design of payment systems. At the end of the final workshop, participants were asked to prioritise design factors for a future payments system. They were given 17 votes to distribute as they thought best across the six factors of: Security, Protection, Control, Ease & Convenience, Choice,⁵³ and Low Cost.

As the tables below illustrate, there was strong consistency in how priorities were ranked, with both groups putting security as their highest priority, followed by protection.

Table 4: Participants' priorities in payments system design at the end of the public dialogue

<u>Bristol</u>		<u>Bradford</u>	
Ranking	Design factor	Ranking	Design factor
1st	Security	1st	Security
2nd	Protections	2nd	Protections
=3rd	Ease & Convenience	3rd	Control
=3rd	Control	4th	Ease & Convenience
5th	Resilience / Choice	5th	Choice
6th	Low Cost	6th	Low Cost

This aligns with other consumer research on payments and fraud. The PSR has regularly found that consumers rank security and protections as the most important things for higher value purchases.⁵⁴ Additionally, our Consumer Insight Tracker⁵⁵ shows that, consistently, over 60% of UK adults are worried about being targeted by scammers.

“The fraudsters and the hackers seem to be getting quicker at working out ways around the ‘mine’. I know that banks and everybody obviously don't want to lose money, but the fraudsters seem to be very quick at sort of circumnavigating stuff nowadays. So that's always my worry.” Participant, Bristol, W3

⁵³ In the Bristol workshop, Choice was combined with Resilience. During the Bristol workshop, it was clear that participants' views on Resilience and Choice were different, so to better differentiate the factors, it was presented as just Choice in Bradford.

⁵⁴ PSR (2025). [Consumer Research 2024-2025](#).

⁵⁵ Which? (2025). [Consumer worries dashboard](#).

This is a key area of agreement between consumers and the industry. The National Payments Vision has security as one of its three key pillars to guide future activity, describing the actions it proposes as aiming “to strengthen the foundations of today’s ecosystem and steer future activity to drive innovation, facilitate competition and ensure security.” Key security measures explicitly mentioned include enhancing resilience against fraud through collaboration, data sharing, and the shift to outcome-based regulation.

Managing the risk of fraud is critical to consumers feeling in control

There are a number of reasons why consumers remain hugely concerned about payment fraud, despite the high likelihood of them receiving their money back. This became apparent in participants’ conversations about contactless payment limits.

During the course of our interactions with research participants, the FCA announced that it planned to remove existing contactless limits and give card providers the flexibility to set them.⁵⁶ This generated considerable media attention⁵⁷ with several outlets highlighting that contactless card payments could become unlimited. Several research participants raised this proposal unprompted, and many were rather concerned, with some voicing outright opposition to the proposal. For those that discussed this potential change, many were opposed to it, describing it as ‘very, very dangerous’. The fear of removing or increasing the limit came from both a fear of theft but also a fear that, removing a useful payment limiter, could lead to overspending.

“I’m really concerned about the contactless limit increasing from £100 because I think that would impact quite a lot of people, especially those, you know, that have got maybe limited money in the banks.” Participant, Bradford, W2

Separate Which? research in May 2025 found that the vast majority of card users thought that the contactless limit of £100 was either about right and shouldn’t be changed or already too high (85%). The top reason for these opinions was that it helps reduce the risk of fraud if someone steals or finds my card, cited by 63% of those people.⁵⁸

Our research participants were informed in the public dialogue that money fraudulently taken via unauthorised transactions using their contactless card would be refunded under almost all scenarios. Knowledge of being refunded did not seem to prompt a change in participants’ concern about being defrauded. They had a visceral reaction to the idea of the act of being defrauded, and asserted they would much rather not go through what they regard as a traumatic event.

This highlights how consumers don’t want to have to rely on redress. Participants talked about people either being unaware of their rights to redress or the process for reclaiming money stolen from them being distressing.

⁵⁶ FCA (2025). [Proposed contactless changes could increase convenience for consumers.](#)

⁵⁷ Eg [BBC website](#), [Mirror](#), [Guardian](#).

⁵⁸ Online Poll with 2,091 UK adults. The survey took place from 9th to 11th May 2025. Bases: Debit or credit card users (1,837). Debit or credit card users who think the contactless limit should be lower or stay the same (1,621).

“My heart actually breaks to think of all the people that wouldn't even try and get their money back, like all the really vulnerable older people that would get targeted, that wouldn't have a foggiest what protection was available to them.” Participant, Bristol, W2

Participants are also worried about being a victim of fraud due to the non-financial harm they can experience. Our consumer research in 2022, prior to the introduction of the mandatory APP reimbursement scheme, showed the psychological harm of being a victim can be hugely damaging, as victims told us they felt ashamed, angry or betrayed.⁵⁹ Being a scam victim is associated with lower levels of happiness and life satisfaction, and greater anxiety. In 2021, Which? estimated the harm from lost wellbeing attributable to scams amounts to £9.3 billion a year.⁶⁰

Finally, participants seemingly continued to prioritise security due to an instinctive negative reaction to the idea of fraudsters spending *their* money. This feeling of unfairness and resentment is extremely strong, coming both from a place of understanding that we collectively as a society end up paying for fraud through system costs for reimbursement, and that it is fundamentally wrong that fraudsters are able to get away with their crimes. For this reason, participants said they remain cognisant of their responsibility to ensure their payments are going to the right places.

“The consumer, like you as a person, has a lot of responsibility as well because there's always going to be scammers and thieves etc. It's like locking your door at night. You have to be careful.” Participant, Bradford, W2

Each of these areas of concern about security come back to the central desire of consumers to be in control. Consumers recognise that they themselves have a role to play in keeping themselves safe but that there is a limit on what they can realistically be expected to do to protect themselves in the face of increasingly sophisticated and convincing scams.

The policy perspective

Some commentators asserted that the introduction of reimbursement for APP fraud would inevitably lead to a reduction in consumer caution, arguing consumers would be less likely to take care over their payments if they assumed they would be reimbursed.⁶¹ Our research participants suggest that the reality is very different, chiming with evidence presented by the PSR that during the first nine months of the APP reimbursement

⁵⁹ Which? (2022). [The Psychology of Scams Understanding why consumers fall for APP scams.](#)

⁶⁰ Which? (November 2021) Scams and subjective wellbeing: Evidence from the Crime Survey for England and Wales, p.5. Available at: <https://www.which.co.uk/policy/digital/8403/scams-and-subjective-wellbeing>.

⁶¹ [The PSR's Policy Statement on Fighting authorised push payment fraud: A new reimbursement requirement, Annex 3: Question-by-question feedback and response to our consultation](#) (June 2023) provides a summary of these warnings, reporting that “Many industry respondents said our proposals would lead to a rise in the likelihood of moral hazard, arguing they do not give consumers the incentives to take sufficient care when making payments.”

scheme *"there was no indication of people being significantly less cautious"*.⁶² Many participants were entirely unaware of the reimbursement protections in place. Even where they were aware, or after they were informed of their existence, consumers fear fraud because it creates a feeling of loss of control; people are no longer in control of their money, reliant on their bank to reimburse them and criminals are spending their hard earned money.

The consumer perspective on security features today

Participants valued the effort banks and payment providers are putting in to tackle fraud. They were impressed and reassured when hearing how much banks spend on security measures and the deployment of features such as the behavioural biometric tracking they conduct to spot fraud which can detect inconsistencies in the position of your phone in your hand.

"I was really impressed by just how thorough they were to make sure that they knew I knew that I wasn't being scammed." Participant, Bradford, W2

In addition to the behind the scenes security systems banks have in place, participants are generally accepting and reassured by the visible security measures like two-factor authentication and confirmation of payee they have, even if they can be a nuisance at times.

"And then if you've got details and it doesn't match for whatever reason, and you don't know why it's not matching, it doesn't... you know... it's warning you about scams, which is really good." Participant, Bradford, W1

"I think if it's over a certain amount, two factor authentication is good." Participant, Bradford, W1.

Before our second workshop we asked participants if they felt payments are more or less secure now compared to ten years ago. While some participants felt they were less secure now due to risks like scammers using AI, card cloning, scammers faking biometrics, the risk of social media scams and contactless fraud, there were slightly more participants who thought payments are more secure today than a decade ago. Reasons for this included measures such as account payment verification, biometric log ins, greater public awareness of scams and transaction visibility (eg being able to view transactions instantly online / in app rather than having to wait for the delivery of a monthly paper statement). It is an impressive feat that, despite fraud now being the most common crime in the UK,⁶³ our participants feel more secure today, compared to 10 years ago.

⁶² PSR (2025). [APP scams reimbursement dashboard for Q2 2025](#). (Accessed - 12/12/2025).

⁶³ National Crime Agency, [Fraud and economic crime](#).

3.2: A desire for innovation in security

Participants are aware that expectations around high levels of security, alongside maximising ease of use, may be unrealistic for a future payments system, but they are hopeful that technology and AI can help achieve this. When thinking of innovation in the payments system, innovation in security is one of participants' highest priority.

“We want things to be easy, and we want them to be secure. And the two things don't necessarily go hand in hand.” Participant, Bradford, W3

Removing anachronisms

Despite being relatively supportive of the security features in payments today, most participants could recall situations or features that either frustrate them, make them feel less secure or less in control. Annoyances, such as not being able to recall complex passwords and being shut out of an account, or having to wait to receive new PINs or passcodes in the post, are seen as anachronisms by participants. These anachronisms can make them feel less secure, and as a product of that, less in control of their money. They feel that technology such as biometrics should be able to resolve these.

“I think security is a weakness. Sometimes it's too much. Like the amount of times that I've forgotten what I've set a memorable word as. Or if it's come up on my phone to set a password and I've accidentally clicked to use complex password, there's no chance I'm going to be able to type that in on my laptop if my phone's died or if I've lost that phone and I'm trying to get back into it. Even for yourself, it's okay making it hard to get into but sometimes it's too hard.” Participant, Bradford, W4

Greater personal choice on security

Several research participants said they would welcome some flexibility in determining how and when security is applied to their payments. For example, some participants want to see a system that could monitor their spending habits and allow security features to be turned off for transactions that are regular and low cost, with higher security applied for anything large or new.

“Surely it would be pretty simple to allow people to choose at what level you're going to require that for your account. Like, don't ask me for two-factor authentication if I'm buying a coffee. I've obviously made the decision to buy a coffee, but maybe I'm sending £40 to a friend or something.” Participant, Bristol, W4

Several participants stressed their frustration with instances when payment security measures hindered their purchases, most particularly when trying to buy high demand concert tickets, such as for Oasis' high profile reunion concerts. Having to wait for and enter a one time passcode sometimes meant they lost the tickets. They want the ability to turn them off and on for specific purchases.

“I just hate doing the OTPs. Okay. I just don't like doing them at all. I think there should be apps and stuff where you can disable it. If you know you're going to do a big purchase or something, you can just disable it beforehand. It gives you an hour window where it just doesn't work. You know, like concert tickets and stuff. It gives it a lot more convenience.” Participant, Bradford, W4

“Obviously the verification makes it more secure, but I completely get when you're buying tickets for gigs or whatever, the option to be able to turn it off. Because what's the likelihood of a fraudster using it in that ten minutes you're using it? So just to be able to turn it off on occasion.” Participant, Bradford, W4

Despite this wish for fewer visible security measures, participants did not want to see their level of protection lowered as a result. On the other hand, some participants are much more risk adverse and would like the option to be able to ‘turn up’ their security features.

“I'd like to see what's happening. I think I would say I feel more secure knowing what's happening. It might be easier and quicker to let [banks] worry about it, but I would prefer to see it.” Participant, Bristol, W1

The policy perspective

The desire for greater personal choice

We recognise the frustrations that consumers can experience when they struggle to complete certain purchases due to the extra security steps they are forced to go through (eg when buying concert tickets in a highly pressured and time-sensitive environment), and are sympathetic to their desire to turn off or dial down security in these circumstances.

However, as a consumer advocate motivated by the desire to protect consumers from harm, we do not think this is something which should be offered by a responsible payments industry. Events that are in high demand provide an ideal breeding ground for fraud and scams to be perpetrated. As such, reducing security would fly in the face of efforts to protect consumers by focusing on those payments which present a higher risk. Rather, we would like to see payments firms / banks think creatively about how security in such pressured circumstances can work as seamlessly as possible so that it protects consumers whilst also allowing them to make purchases without undue hindrance.

For example:

- could consumers give their bank / payment firm advance notice of a planned purchase and add the ticketing firm to a list of 'safe contacts' to gain some form of pre-authorisation ahead of making a payment so that additional security measures could be pre-completed?
- could more be made of rapidly developing technology so that two factor authentication becomes invisible or passive to the consumer, with the transaction feeling like a single, seamless step?

- could such payments make greater use of biometric passkeys, or deploy AI-driven risk-based exemptions (ie determining the risk associated with a specific transaction based on the context, device location etc); or
- looking to the future, could we potentially even use some form of digital identity held in a digital wallet to verify the consumer's identity?

The PVDC's approach to delivering security

To keep pace with the ever-evolving threat of fraud and scams, and to ensure payments are secure, consumers expect their banks and payment firms to continue to innovate, to develop and enhance defences so they stay one step ahead of criminals who will seek to exploit any weakness. As a consumer organisation we recognise and appreciate the enormous effort that individual banks and payments firms put into making sure that consumers' payments are secure. However, we think that there is scope to do more at the system level to enhance the security of payments.

The history of securing reimbursement for Authorised Push Payment (APP) provides a salutary lesson about the limitations of relying on individual firms to tackle a systemic issue and deliver security for consumers:

- Which? submitted a supercomplaint in 2016 which argued that victims of APP fraud were not afforded an appropriate level of protection compared to other types of payment.⁶⁴
- It was not until 2019 that the banking industry launched the Contingent Reimbursement Model (CRM) Code. This was the initial, firm-led attempt to tackle APP fraud but was a voluntary initiative which did not encompass all firms, led to inconsistent levels of reimbursement, and placed no incentives on receiving firms. In its 'APP scams performance report for 2023' (published August 2024), the PSR found that "there are a small number of firms who receive a disproportionately high number of scams relative to their size"⁶⁵ highlighting the failure of some payments firms to get their house in order and undermining wider efforts to tackle the issue.
- Since relying on the fragmented efforts of individual, competing firms had failed to solve the systemic fraud problem, the UK Parliament and the PSR introduced a mandatory reimbursement scheme for APP fraud which came into effect in October 2024. This scheme applied to all payment firms and shared liability between the sending and receiving firms, in doing so it created strong financial incentives on all payments firms to play their part in tackling fraud.

The protracted period from the initial supercomplaint being submitted to robust action being taken caused consumers a significant amount of avoidable harm. It also forced industry to expend considerable expense and resources, with those firms that were at the forefront of rooting out fraud and protecting their customers facing disproportionate costs

⁶⁴ Which? (2016). [Which? super-complaint: Consumer safeguards in the market for push payments.](#)

⁶⁵ PSR (2024). [PSR publishes latest APP scams performance report for 2023.](#)

due to others failing to take their obligations seriously and tolerating weaknesses in their fraud protection systems.

Similarly, the introduction of Confirmation of Payee demonstrated the shortcomings in adopting a staggered and piecemeal approach to tackling systemic issues. Initially, the PSR mandated the UK's six largest banking groups (who covered around 90% of Faster Payments and CHAPS transactions) to implement CoP. However, this prompted a migration of fraud to payments firms that had not yet implemented the service.⁶⁶

We think that there is a better way to do this. The delivery of secure payments is a network-level problem that may require a network-level solution to incentivise prevention. Adopting this approach could also help guarantee a uniform baseline which raises the defensive wall for the entire payments system, and enable system-wide fraud monitoring and disruption so that data is more easily pooled and threats identified and dealt with.

We are not advocating that all issues must be addressed at the infrastructure layer, or that an all-encompassing payments infrastructure must be built to enable this. We recognise that this may be prohibitively expensive, take an inordinate time to deliver, and fail to anticipate what may be needed in future. We note and accept the criticisms of the New Payments Architecture levelled by the Garner Review and the NPV - that it was too slow, too complex, and lacked agility to keep pace with rapid technological changes.⁶⁷

As a consumer organisation, what we care about is delivering good consumer outcomes, protecting consumers from harm by ensuring their payments are secure. We are willing to endorse an approach that works, that maximises efficiency and minimises costs. But to deliver good consumer outcomes, there needs to be proper governance to determine whether issues relating to the security of consumer payments are best addressed at the infrastructure layer, or in the associated scheme rules and industry overlays, or whether they can be left to individual firms to develop targeted tools and controls.

On this front, we are encouraged that the PVDC's Future Payments Strategy has signalled a new approach which seeks to embed security at the design stage, stating that *"financial crime, including fraud and money laundering, should be 'designed-out' as far as possible"*. We look forward to learning more about how this will be achieved.

3.3: Sharing responsibility for security with other actors that have a key role to play

Although our research focused on payments and inevitably discussion revolved around the need for the payments framework to ensure security, the research participants gave a very strong and unequivocal steer that they expect other actors to play their part in delivering

⁶⁶ PSR (2021) [Confirmation of Payee - Call for views](#) stated: "our data analysis demonstrates that there has been a reduction in the relevant types of APP scams sent to CoP-enabled PSPs, while APP scams sent to PSPs not participating in the service have increased."

⁶⁷ HM Treasury (2024). [National Payments Vision](#).

security and countering fraud, and in enabling them to feel more in control. In particular, consumers highlighted the important role that social media platforms, online marketplaces and online search engines have to play. They felt strongly that these large firms should be held responsible for countering fraud and ensuring security on their sites.

“That's my question, are they going to legislate for the social media platforms? Because as far as I'm concerned, that's the priority at the moment, is to close that loop.” Participant, Bristol, W3

“They do get away with murder, don't they? Because they say they're just a platform. And if people do naughty things on their platform, it's not their responsibility.”

Participant, Bradford, W3

Some participants hope that in the future banks and payment providers could issue a form of verification or stamp of approval that would help consumers to identify trusted sellers.

The policy perspective

We recognise the government is acutely aware of the need to do more in this space, and we look forward to the imminent publication of its Fraud Strategy. The message coming loud and clear from our research is that consumers want and expect the government to take robust action to make sure that social media platforms, online marketplaces and online search engines place consumer security at the heart of what they do, and to take robust action if they fail to meet their obligations.

Chapter 4: Purchase protections

Chapter summary

- Despite confusion about when payment purchase protections apply and barriers to engagement, participants value these protections and feel they should be in place to protect consumers as a last line of defence if they face issues.
- These protections reinforce their sense of control over their shopping experiences.
- There were varied opinions amongst participants when it came to how future payment purchase protections should be approached, with a consistent approach favoured by some participants, and a more varied approach favoured by others.
- Going forward, a baseline of payment purchase protections should form an integral part of the initial build of any other new payment methods which may emerge rather than being relegated to something that may - or may not - be added at a later date.
- Participants were interested in conditionality and reversibility of payments as mechanisms for improving their control of payments, suggesting that these may in future offer alternative ways to offer appropriate levels of protection.

In the previous chapter we saw that participants in our research value the obligations on payment system providers that help protect their payments from authorised and unauthorised payment fraud. Additionally, they view fraud prevention as a shared endeavour with responsibility shared between themselves, the government, banks, payment providers and other actors such as social media platforms. There is much greater variance in opinions when it comes to the payment purchase protections consumers have when something goes wrong with a good or service they purchase.

4.1: Protection gaps today

In our second online workshop the Deputy Editor of Which? Money magazine presented to participants the hierarchy of protections they have when things go wrong with purchases. He explained participants' rights as set out in the Consumer Rights Act 2015. They also discussed enhanced protections, such as extended warranties that some retailers or manufacturers offer. Finally, he covered the payment purchase protections which apply if the retailer or service provider consumers have purchased from is not being compliant or has gone bust.

Most participants said they were not aware of the specific payment purchase protections that cover different types of payments and that the manner in which payments are made (eg through a third party provider) can impact whether they have payment purchase protections or not. This is consistent with prior consumer research.⁶⁸

⁶⁸ Which? (2023). [Can consumers make informed decisions about payment protections?](#)

One of the main criticisms of payment purchase protections today were the differences across payment types. Firstly, participants viewed differences as confusing and creating barriers to engagement, such as the abundance of jargon and challenging administrative hoops.

“I used quite a lot of different payment options. It wasn't until I started this research that I realised that the protection is so different depending on what you use. Now I don't feel protected with a lot of purchases that I've made.” Participant, Bradford, W4

Many participants also saw payment purchase protections as most accessible to consumers who can afford to pay in a certain way, specifically using a credit card. They highlighted this as an accessibility and poverty premium issue, meaning that the more vulnerable in society (including those without a fixed address or good credit score) have less of a chance of getting their money back compared to those better off.

“That's like payment premiums, right? If you don't have a good credit score, and therefore you can't get a credit card, then you are currently kind of excluded from receiving some protections because you can't get a credit card. So is that fair?”

Participant, Bristol, W4

Despite these barriers to engagement and criticisms of the systems in place today, participants value these protections and feel they should be in place to protect consumers as a last line of defence if they face issues. However, there was divergence in thought on what approach should be prioritised in the future.

4.2: The merits of different approaches to payment purchase protections

Consistency across payment types

One participant supported consistent protection across payment types because they correlate this with trust and confidence in the wider payments system and economy, which in turn benefits society as a whole.

“The minute you lose confidence in a payment type you begin to lose confidence in the whole system and losing confidence in how we handle money or cash. My view is you can't pick and choose. You have to protect payments across the board so that people feel confident.” Participant, Bristol, W2

Other participants favoured consistent, simplified protections because of how this makes them easier to understand, thus not excluding individuals due to lower levels of financial literacy.

“I think if everyone did it the same way it'd make it easier for people to be able to claim. I think there's a responsibility to make it as simple as possible and standardise it.” Participant, Bristol, W3

Crucially, these participants who wanted consistency were not calling for all payment types to have the same level of protections as credit cards today. Instead, they want to avoid situations where they make payments that come with no payment protections. The lack of payment purchase protections which currently apply to 'Pay by Bank' concerned these participants.

“There's some small companies which I've used to buy my mum some equipment, but it's that account-to-account payment, and that's all they offer. But I wouldn't have bought that equipment, so I think it could easily break, but it costs quite a lot. I had no idea that potentially I wouldn't be protected. I don't think there's a lot of knowledge as well, unless you kind of look for it yourself.” Participant, Bradford, W4

A varied approach, with greater protections for riskier transactions

Other participants saw more advantages in having varied levels of protection across different payments/purchase types. Amongst these participants, some see less of a need for protection when you are paying local providers, such as local authorities. Many also support smaller, everyday payments being less protected (eg takeaway coffee, train tickets), especially when you receive the goods immediately in person.

“Whereas if you do buy a coffee, once you get your coffee, you're happy aren't you? So there's surely less that can go wrong in person because you actually receive it there and then.” Participant, Bristol, W4

The ability to actually go and speak to someone about a purchase bought in person led to several participants thinking that lower protections would be needed in this instance. Many participants feel it is important to have higher protections for online purchases. One reason for this is the fact that a consumer has no way of guaranteeing the item or product is real or without flaw because they have not seen it in person. Another reason is the abundance of false advertisements online, and how AI is making it increasingly easy to doctor images in a deceptively realistic way.

“Online you can't see what you're getting until you get it. Until you've paid for it, whereas if you're buying something for furniture, they'll usually let you at least sit on it.” Participant, Bradford, W4

Additionally, some participants are particularly concerned by the risk associated with purchases made via social media or online marketplaces where the buyer is more distant from the seller, making it harder to get redress from traditional means when the seller is not playing ball. Many participants talked about the growth of these e-commerce platforms and see an urgent need for protections to adapt to modern day consumer habits, specifically buying through social media or online marketplaces. Recent Which? research found that 90% of consumers have made purchases on platforms like eBay, Amazon Marketplace, Etsy, and AliExpress within the last two years, and that 24 million consumers are regular users.⁶⁹ The research estimated that at least 8.8 million consumers have experienced harm

⁶⁹ Online Poll with 2,096 UK adults. The data is weighted to represent the adult population of the UK by age, gender, region, social grade, working status and housing tenure. The survey took place from

from faulty, unsafe, or fraudulent products bought from these sites in the last two years.⁷⁰ This harm is only likely to rise as the social commerce market grows, with Retail Economics estimating that the sector will double in size over the next four years, from £7.3 billion today, to £15.7 billion in 2028.⁷¹

One of the specific issues consumers have with payment protections is the apparent discrepancy in Section 75 of the Consumer Credit Act (CCA) 1974 protection when purchasing an item from an agent for the actual supplier, for example buying off Amazon Marketplace, rather than directly with Amazon. In this circumstance, Section 75 may not apply and claims against the credit card provider may be unsuccessful. One participant said that a consumer would need to “forensically dive into” the seller's information to determine whether a purchase was made via marketplace or not.

“So, if you go online to Amazon, it actually has quite a strong kind of refund policy because... they're kind of a legit company. They have a reputation. Where things get a little bit murkier is if you go on something like Amazon Marketplace, where you might not get all the protections because you're buying through a third party, but Amazon's just like the shop front, rather than Amazon itself.” Participant, Bradford, W2

Even experts can struggle to apply this very old legislation to modern payments, let alone shoppers. A recent Which? article⁷² highlighted the discrepancies in how different organisations can interpret the rules, and how this situation has become a confusing mess that needs to be fairly and properly resolved. Aiming to do this, the government is currently conducting a review of the CCA to modernise the regime which ensures consumers are provided with clear information at the right time enabling them to make informed financial decisions, as well as ensuring robust consumer protections are maintained.⁷³ A guiding principle for this review should be that payment purchase protections need to keep pace with the changing nature of consumer shopping habits to ensure that consumers have a sense of control over their shopping experiences.

When talking about the need for greater protections for riskier transactions, some participants discussed the concept of paying for additional payment protections. During the workshops some compared this to the concept of insurance, with an individual choosing how much risk they are willing to accept or mitigate against. As a result, some participants suggested a future model where an individual can choose to pay more or less for more or less protection.

“I think having a bit of a mixture really, because if there are people who just want things to be done for them and chosen for them. If there were a variable fee where you could choose your fee, depending on how much protection you wanted, there could

5th to 6th November 2025. The 24 million figure is based on 44% of UK adults buying from an online marketplace at least once a month.

⁷⁰ Estimate based on one in six of those purchasing from an online marketplace in the last two years reporting an issue with their product (18%). Base sizes: Purchased from online marketplace in the last two years (1,857).

⁷¹ Retail Economics (2024). [The Power of Social Commerce: Building brands in the TikTok era](#)

⁷² Which? (2025). [Are credit cards still the safest way to pay?](#)

⁷³ HM Treasury (2025). [Consultation on Consumer Credit Act 1974 \(CCA\) Reform.](#)

just be a default like basically what we have now, which most people would just pay. And then for the people who care, they could then choose.” Participant, Bristol, W4

In these conversations participants referenced examples of payment protection schemes offered by firms including Vinted and PayPal, highlighting how they liked the visible guarantee of protections. One participant who particularly liked the Vinted system because they could see the amount going to their protections expressed an interest in this being more widely adopted in the future and a willingness to pay directly for additional protection.

The policy perspective: A consistent baseline of protection

Despite research participants favouring different approaches to how to address the question of protections, their views are not necessarily incompatible with each other. We think a pragmatic way forward would be to ensure that all payment methods have a consistent baseline of payment purchase protections, with different payment schemes able to go beyond this should it make commercial sense to do so and where this meets consumer needs. This would mean such protections are accessible to all, and it would make the system easier to understand.

It was not in the scope of this research to explore in detail exactly where this baseline of protections should sit. In our view, there is a need to take a fresh, fundamental look at consumer payment protections to ensure that they reflect what consumers want, and the risks they face based on how and where they shop now. This is a complex issue that will require careful in-depth deliberation between consumers, industry, government and regulators about the protections needed by consumers, acknowledging the costs associated with providing them. This future work should be guided by the principle that consumers expect to be protected when things go wrong. However, consumers’ desire for some level of protection is pragmatic; they recognise that protections come with a cost, and there is a need for the system to work for businesses, payment providers and consumers.

We are delighted that the PVDC Strategy makes clear that the next generation retail payments infrastructure will need to “*enable appropriate consumer protection across payment methods*”. It is extremely important that new payment methods offer payment purchase protections. We are deeply concerned that a huge amount of industry time, effort and resource has been invested in developing open banking account-to-account payments as a competitor to the card networks, that they are being actively promoted and are achieving reasonable increases in usage, and yet they do not feature payment purchase protections. As we highlight in Chapter 2 on ‘Control’, the planned rollout of cVRPs - which allow consumers to use open banking to make recurring payments - heightens this risk.

For almost five years regulators and authoritative commentators have called for the lack of protections associated with open banking payments to be addressed but we have seen no tangible action. For example, the Future of Payments Review (November 2023) concluded that addressing the consumer protection gap for open banking payments

should be a top priority.⁷⁴ This situation must be resolved as soon as possible to ensure that consumers do not lose out when a firm goes bust - if this is not the case then there could be significant negative consequences for consumer willingness to opt for this payment method, scuppering plans for it to act as a viable competitor to cards.

Lessons should be learned from the failure to include payment purchase protections for open banking payments from the outset, and expecting commercial firms to introduce this at a later date and of their own accord. Going forward, a baseline of payment purchase protections should form an integral part of the initial build of any other new payment methods which may emerge rather than being relegated to something that may - or may not - be added at a later date.

4.3: A future-facing protections landscape: The potential for conditionality and reversibility

Participants were interested in alternative or innovative ways to deliver payment protections, including conditionality (eg where a payment is made only after specific, pre-agreed conditions have been met such as an item being delivered) and reversibility (eg where payment can be cancelled, allowing funds to be returned to the payer, if goods have not been received or are not as described).

Conditionality was explored in our third workshop on innovations. It was presented through the lens of creating better recurring payments, but we also talked about its applicability to the retail space where consumers would only pay for a product or service when they confirmed they've received it and it is in good order, as is the case with Vinted and other online sites. Participants spoke about how Tesco has updated its payment processes so that you only pay for a grocery item when it's actually been received rather than when you order it, a closer reflection of the in-store experience that avoids the need to claim a refund.

“I know now they've changed it with Tesco, when you buy something on, you buy it, you shop it, and then they don't take it out until you've received it, which I thought is a really good idea.” Participant, Bradford, W4

Some participants like the prospect of this for giving more power to the consumer and mitigating against the long drawn out hassle of trying to get a refund for a poor product or service.

“You get a situation, you've already paid for that, and then you've got the hassle of trying to get that back. Now, if you had that delayed payment until after, say, you signed off for that boiler, and everything was working, and then you just clicked a button and said, yeah, that's fine, take that money. That, to me, would be a better system than it is at the moment.” Participant, Bradford, W3

⁷⁴ Garner, J. (2023) [Future of Payments Review](#)

However, participants also questioned how the application of conditionality would work to ensure that it is not open to abuse, which could affect businesses, particularly small businesses, with customers wrongly claiming an item hadn't been received, jeopardising their cashflow.

“I think it's great not paying for a service until it's finished, not paying for a parcel until it's arrived, but it'll be interesting to find out who has to agree for that [payment] to be allowed. I can't imagine companies and all the tradesmen necessarily being too happy with that, so it'll be interesting to see where the power lies.” Participant, Bradford, W3

“When it comes to the conditionality, it feels really open to abuse. I was thinking - all these delivery companies where parcels go missing, as soon as that tracking number goes on and someone says it's delivered and it goes to a neighbour and then the payment goes, well, at what point then do you get to challenge it? It felt like I don't know how I couldn't actually work with that new style.” Participant, Bradford W2

Despite these concerns, most participants were very intrigued by the potential for conditional payments and would like to see further development in this space to speed up, or even bypass, the need for long refund processes and to better protect their money from fraudsters.

The concept of reversibility was not part of the design of our research process but came up naturally during conversations about fraud and protections. Participants questioned why it is not easier to catch scammers and fraudsters and reclaim money lost to them.

“I think we've heard over tonight and last week that payments are quick to go one way, but they're not quick to recover. So if the system was made so that we could recover them quickly, then it wouldn't negate scams, but you could sort them pretty quickly. If you'd clicked on an advert and paid for something that as soon as that became a scam, you could recover that money.” Participant, Bristol, W2

The policy perspective

Earlier in this chapter we called for a fresh, fundamental look at consumer payment protections to ensure that they reflect what consumers want, and the risks they face based on how and where they shop now. Any such review should also be future-facing, and consider the role that technological developments may play in changing or reducing the reliance on protections if there are other, or better, ways to protect consumers when they don't receive what they have paid for. It is for technical payments experts to suggest the optimal ways to meet this need, but we suggest conditional / programmable payments and reversible payments merit further exploration as alternative ways to provide consumers with appropriate levels of payment purchase protections.

Since these future-facing possibilities are foundational, and are likely to require some re-engineering of the payments framework, it will be imperative that they are considered

at the infrastructure or system rules level. Doing so would also help to ensure that a consistent approach is developed, meeting the demands of consumers that all payment methods have a consistent baseline of payment purchase protections.

Chapter 5: Choice

Chapter summary

- Most of the time, participants didn't see an overarching need for greater choice in the payment options open to them individually. Instead, they recognised that more choice could help to deliver wider benefits in the shape of increased competition.
- Participants felt that greater choice should be deployed as a tool to ensure that payments become more accessible and inclusive, delivering greater control to a wider range of people. To deliver on this opportunity, the government needs to take a 'hands on' approach to tackle digital payments exclusion.
- People need compelling reasons to try and to trust new payment methods. The past success of new payment methods, such as the rapid adoption of contactless payments and digital wallets, should not be taken for granted.

When thinking about the importance of having a choice between different payment options, participants often reflected through two different lenses: their individual preferences and what would be better for society. Whilst many participants are satisfied with the amount of choice built into today's payments system, they felt that greater choice could deliver wider benefits in the shape of increased competition and result in payments being more accessible and inclusive.

5.1: Consumers don't see an overarching need for greater choice in their payment options

Greater choice in payment options in the future was a 'future design scenario'⁷⁵ that we explored with participants. This scenario painted a future world with a wide range of payment methods that offer different strengths depending on the type of payment and context. Although participants were not fully adverse to more options in payments, they questioned whether more choices in payment options are needed.

A lot of participants' conversations during the dialogue revolved around the value-added services or applications that banks or payments firms develop which operate on top of the underlying payment infrastructure. This is understandable since these are the tools they may use in their daily lives or have heard about. There was considerable unprompted interest in the specific tools offered by one bank - Monzo - which support people managing their money (covered in Chapter 2). This is an area where participants welcomed the expansion of choice offered to them over the last 10 years. However, this did not extend to a desire for more choice in the future, be it more banks or new payment providers providing new methods to make payments. Participants are concerned about how increased choice could bring complexity, resulting in a lack of control over their payments, leaving them struggling to know the best way to pay or not having clear visibility of all their payments.

⁷⁵ See the future design scenario in the annex of this report

“It also might have the effect for some people, where it's spread out and there's a chance and possibility for things like people to get into debt and that sort of stuff.”

Participant, Bristol, W4

“Especially if it's like saying that the digital wallet is suggesting, so you can go and do your food shop and it's suggesting that you pay by debit card, but then you go next door to Argos and buy a new Wi-Fi, it's then suggesting you use your credit card. And you're like, OK, let's pay by credit card, but then you potentially would forget, because, you know, and then all of a sudden you're like, oh my God, my credit card bill has come in, I don't remember, oh yeah, I took the suggestion.”

Participant, Bristol, W4

Participants also fear being confronted by a bewildering range of options at checkout that can result in them making uninformed decisions. They are also concerned that complexity risks excluding certain groups, including those with lower financial literacy, neurodivergence or who are time poor. They emphasise that future focus must be on including those at highest risk of exclusion.

Looking to the future, there is some support for the inclusion of an AI feature that could help a consumer choose which payment method to use. For several participants, this would be essential in helping them manage the element of choice amidst their busy lifestyle. They want the benefits of competition and lower prices that could come with increased choices, but do not have the time to work out which is best suited for each payment situation.

“Sometimes it's like being given the options with some extra info to back it up and then you can make your decision. Or you can just go with the suggested decision if you can't bother to think for yourself at the moment.”

Participant, Bristol, W4

There is, however, some scepticism and resistance among participants to the idea of AI assistance helping them navigate a plethora of choices. There is concern amongst participants that the nature of AI could lead to its recommendations being leading or biased towards a particular option, ultimately benefitting the provider more than the consumer. Several participants said that their trust in AI is so low they would not want any of its technology anywhere near something so important as their personal finances.

“AI hallucinates. I've said it before. I don't want it anywhere near my money. It is astonishingly just really bad. I don't want it anywhere near anything important.”

Participant, Bristol, W4

The benefits of increased competition

Despite not seeing a personal need for greater choice, many participants are drawn to the suggestion that increased choice would result in increased competition between payment providers. Participants spoke about how choice serves to redistribute some of the power within the payments system, transferring it from those few payment providers with significant market power to consumers.

“It’s this idea that if you have a limited choice, that gives more power to those companies or organisations or whatever. If there’s lots of choice, that gives people in society more power.” Participant, Bradford, W4

They emphasised that because of the longstanding duopoly of Visa and Mastercard, any new options would need to be carefully marketed and clearly explained to consumers. Many participants think that the majority of consumers will not actively seek alternatives to these existing providers so it will be difficult for any new players to break through the market. New players would have to provide a service that consumers can clearly see the benefits of, for it to have widespread adoption. In the context of an increasing risk of digital security threats, new players will also need to clearly present their security features in order to attract users. Participants believe that it will take time to build trust between consumers and new providers.

“I’d be happy with Visa or Mastercard because [they’ve] been around for a while and I know what they’re doing.” Participant, Bradford, W3

“I was going to say, would you really trust something that has no Visa or Mastercard on it?” Participant, Bristol, W4

“If you’re a new payment provider or a new payment option that sits at the bottom of your payment page when you’re buying something...in your first year of existence, there has to be, like, a pop-up or an easy thing that says, hey, I’m new, here’s how I work.” Participant, Bristol, W4

The policy perspective: the past success of new payment methods should not be taken for granted

The NPV seeks to chart a clear path to deliver a trusted, world-leading payments ecosystem, where consumers and businesses have a choice of payment methods to meet their needs. Like our research participants, we agree that increased choice and competition between payment providers, and between payment methods, has the potential to deliver benefits to consumers.

However, people need compelling reasons to try and to trust new payment methods. The rapid take-up of contactless payments, and the astonishing increase in the use of digital wallets over recent years, may give false confidence that consumers will uncritically adopt new payment methods. It should not be assumed that this will be the case.

Both contactless payments and digital wallet usage have certain characteristics and features that may not be present in other payment methods. In particular, they were built on a bedrock of trust that had been established over many years through the Visa and Mastercard networks, backed up by well-established banking brands. In the case of digital wallets, this trust in cards was further enhanced through the secure systems operated by highly trusted brand names like Apple and Google. These same conditions

which propelled quick adoption of contactless and digital wallets may not exist for other new payments, meaning we may see more gradual increases in take-up, for example as we have seen over the last five years for Open Banking payments,⁷⁶ or even the failure of expensive and large-scale initiatives, as we witnessed with PayM and Request to Pay.

Reflecting on the success and failures of recent payments initiatives should also provide food for thought about how best to deliver choice through seamless account-to-account payments, which was highlighted as a priority in the NPV and the PVDC Strategy. In our response to the PSR / FCA *Call for Information on Big tech and digital wallets*, we drew attention to the potential to leverage the success of digital wallets to broaden access to account-to-account payments.⁷⁷

5.2: Greater choice could extend access to people who are currently excluded

Choice was repeatedly highlighted by participants as an important foundation for an accessible digital payments system, one that can accommodate diverse needs that may change over time. Some participants see this as particularly important when it comes to buying essential goods. They see it as a valuable way of ensuring vulnerable individuals are able to get what they need without being forced into financial situations that only increase their vulnerability, such as using a payment method they are not comfortable with or entering into an overdraft or taking out a loan.

“You have to make it possible to pay however you need. So if you're going shopping and you need to buy nappies, if all you've got is cash, you should be able to pay with cash. That should be more than my opinion. For things like buying coffee, that's fair enough if the shop wants to ban cash, but for the bare essentials you should be protected, however you want to pay.” Participant, Bristol, W4

Participants' main priority is a payments system which incorporates choice that genuinely benefits everyone and reduces financial vulnerability. They envision a system where increased flexibility enhances accessibility, competition and control, which in turn empowers individuals. However, they often returned to their concern that greater choice can also introduce complexity and risk, especially for those with lower financial literacy. As such, participants see value in carefully designed tools that help consumers navigate choices responsibly, without eroding autonomy or trust.

⁷⁶ [Adoption Analysis: Open Banking Penetration](#)

⁷⁷ Which? (2024). [FCA and PSR Call for Input on Big tech and digital wallets - Which? response.](#)

The policy perspective: government needs to take a 'hands on' approach to tackle digital payments exclusion

While consumers see choice as a means of extending access to people who may be currently excluded, past experience suggests that this is unlikely to be delivered by the current framework. In short, the commercial drivers don't exist under the existing framework to incentivise firms to offer products or services to excluded groups who may have limited income and require additional assistance. Instead, innovations tend to be focused on improving the experience of those already in the system who are deemed to be more lucrative to serve.

We are pleased that the recent PVDC Strategy has recognised there is a need for the government and Authorities to take a more 'hands on' approach to tackle digital payments exclusion, and that they cannot leave this to the commercial market. The Strategy sets out its ambition that *"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"*. Further, it notes that next generation retail payments infrastructure will need to: *"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."*

This is the right ambition. We want the Strategy to result in a step-change in the provision of accessible digital payments designed to meet the needs of those who are currently not served or underserved. But what is currently missing is how this will be achieved. We need mechanisms that translate the PVDC's ambition into tangible action. We are currently unsighted on how this will be achieved, particularly since the membership of the Retail Payments Infrastructure Board (RPIB) - tasked with translating the PVDC's strategy into a detailed design for the future system - is drawn exclusively from the payments industry and merchants, and does not include any consumer representatives. We earnestly hope this will be made clear in the RPIB workplan consultation.

We want to see:

- plans for proactive engagement with consumers and their representatives;
- clarity about how consumer views will be taken into account and acted upon; and
- the publication of measurable outcomes so that progress in tackling digital payments exclusion can be monitored and remedial action taken, if necessary.

It will be important that this engagement and consideration is not confined to a single point in time but occurs at regular intervals to ensure that system requirements take account of technological developments and deliver an ongoing commitment to delivering inclusion. Given the fast changing nature of payments, an annual assessment appears reasonable.

Stronger governance will be required to deliver this. The RPIB is best-placed to make an initial assessment / recommendations, based on proactive engagement with consumers and other groups with overlapping responsibilities and interests such as the industry-led Inclusive Design Working Group announced by the Financial Inclusion Strategy,⁷⁸ the Connection Project, and consumer experts such as Fair By Design. However, due to wider public policy considerations inherent in tackling digital payments exclusion, decisions should ultimately rest with the PVDC, the members of which must already consider the extent to which payments firms are meeting their obligations to consumers under both the Equality Act and the Consumer Duty.

This regular review would remove the need to build an all-encompassing payments infrastructure from Day 1, which would be costly, difficult, struggle to anticipate future needs, and soon become out of date. It would also be aligned with the proposed “modular development and seamless integration of value-adding overlay services” advocated in the PVDC strategy.⁷⁹

⁷⁸ HM Treasury (2025). [Financial Inclusion Strategy](#).

⁷⁹ [Strategy for Future Retail Payments Infrastructure](#), p.11.

Chapter 6: Resilience

Chapter summary

- One of the key benefits of greater choice for participants is that it can increase the resilience of the whole payments ecosystem.
- High profile cyber hacks and payments outages were at the front of participants' minds and meant they prioritised the need to have back up payment options to help them withstand what they felt were likely to be inevitable future outages.
- They view resilience as crucial from both an individual perspective and a system perspective. The tangibility of cash makes participants feel more in control and acts as a personal safeguard against larger scale digital events that are outside of their control.
- Despite being sceptical that resilience can be delivered through solely digital means, participants are open to being convinced how this might be achieved. For example, they are interested in how the Digital Pound or other innovations could mimic the benefits of cash such as allowing offline payments.

6.1: Greater choice can increase the resilience of the payments ecosystem

As we saw in the preceding chapter, research participants didn't see an overarching need for greater choice in the payment options available to them individually but they recognised that more choice could help to deliver wider benefits. In fact, participants saw one of the key benefits of greater choice being that it can increase the resilience of the whole payments ecosystem. They feel that always having back up options is crucial in a world of cybersecurity threats, which were front of mind for participants (see Chapter 1).

“Backup options, like we were talking about. If the system suffers technical issues, you've got those.” Participant, Bradford, W4

The importance of personal resilience

In payments, resilience is usually considered at the system level but our research participants also talked about resilience from a very individual perspective. They highlighted that innovations in digital payments in recent years had increased the convenience of payments, but it had also ushered in new risks for them to cope with, which they sometimes felt ill-equipped to deal with.

A very clear example of this which was raised, unprompted, on multiple occasions was the risk which arises for consumers when using a digital wallet on a smartphone to make payments but the smartphone runs out of battery. This is increasingly problematic as fewer people choose to carry cards in their physical wallets. Recent research by LINK found that fewer than half of UK adults consider a wallet or purse as essential for their day-to-day

routine and thus don't always leave the home with one (48%).⁸⁰ Consumers were extremely fearful of a future where cash is not widely accepted and finding themselves in a situation where their smartphone is out of battery, meaning they have no way to pay.

“One of my worst fears is, and I know it sounds a bit silly, but going on a night out, being on my own, needing to get home afterwards like say something doesn't work and I'm like stuck out in the middle of the night in the dark by myself with no way to get home because like I don't have a way to pay for it. So it's important to always have something.” Participant, Bristol, W4

While they said they need to take personal responsibility for ensuring a smartphone is sufficiently charged, or to carry some form of payment back-up (eg physical card or small amount of cash), there are always occasions when we as humans get caught out. In such circumstances, consumers would welcome innovative payment solutions which could imbue them with personal resilience and give them the ability to make payments. They were sceptical though that resilience can be delivered and meet their individual need for control through purely digital means.

Cash is primarily seen as a resilient payment option

Participants view cash as a key vehicle for both personal resilience and for system level resilience. When initially asked for suggestions on what could make a digital payments system more resilient, several participants spoke about the importance of cash, as the most readily available non-digital form of money. The tangibility of cash makes participants feel more in control and therefore resilient to larger scale digital events that are outside of their control. They feel strongly that a society without cash in circulation leaves the majority of the population very vulnerable to malicious hacking events or system downtime.

“But one thing I do like about [cash] is that you can just sort of keep it in your back pocket and it's something that you can kind of rely on in a way. And if your phone dies or something, then you can't use Apple Pay, that kind of thing, whereas [cash] you can kind of rely on it a little bit more.” Participant, Bristol, W1

Looking to cash as the primary means to deliver resilience was not confined to those who use it to pay for things in their everyday lives. Rather, even those participants who rarely use cash to make payments viewed it as essential as a backup payment method. This is a rational and well-documented response. Bank of England research has shown a continued rise in the value of Notes in Circulation (NIC) which appears at odds with falling transactional cash use but shows that cash is increasingly being used as a store of value.⁸¹

⁸⁰ LINK (2025). [Tapping Into Trouble? The UK's Growing Digital Payment Dependency.](#)

⁸¹ [The Bank of England reports](#) that there was a “50% increase in the value of NIC in the UK between 2012 and 2021”, despite falling transactional cash use over the same period (cash accounted for 23% of payments in 2019, down from around 60% a decade earlier).

6.2: 'Digital resilience' feels oxymoronic to consumers

Participants are concerned that an outage in a purely digital payments system would cause day-to-day life to grind to a halt. To many participants, the phrase 'digital resilience' feels oxymoronic in the context of recent hacks and payment outages caused by individual bank failures⁸² or more widespread systemic failures, such as the massive, widespread electricity blackout that struck Spain and Portugal in April 2025. Across both the Bristol and Bradford groups, the general feeling is that whilst it is important to be prepared for hacks and outages, our data and payment systems are always at some risk due to their digital nature.

"I don't think with digital payment it can 100% work all the time. I genuinely don't think that that would be possible, because...it's digital." Participant, Bristol, W4

Additionally, participants are concerned that solutions like the Digital Pound⁸³ - explored in our third workshop on innovations - still exclude those without mobile phones from being able to benefit from a more resilient payments system, subject to design choices. Digital poverty and digital exclusion were considered carefully by participants from both locations throughout the dialogue. They worry that phasing out cash, and the digital nature of all alternatives means the persistent risk of excluding individuals who cannot afford or use a phone, tablet, laptop etc.

Some participants are concerned about a Digital Pound due to a feeling of distrust or lack of confidence in the central government. They are concerned about the privacy of their payments, with a few participants fearing it would enable the government to track an individual's day-to-day transactions.

"I think people are deeply suspicious of the government and of anything being imposed on them, whether it is being imposed or they just feel it's being imposed."

Participant, Bristol, W3

"I don't think we're in some totalitarian state, but you can see that people will be worried about that. People are already worried about the digital pound and such like, and it gets very serious with people like that. I mean, but you can see how that sort of conversation can gain traction unless it's properly presented as being enabling rather than the government controlling." Participant, Bristol, W3

Despite some distrust in the central government, many participants see a role for the government in ensuring that our payments system is resilient, guaranteeing both consumer and business access to essential payments services.

⁸² The Treasury Committee found (March 2025) that nine of the top banks and building societies operating in the UK accumulated at least 803 hours, the equivalent of more than 33 days, of unplanned tech and systems outages in the previous two years. See <https://committees.parliament.uk/committee/158/treasury-committee/news/205611/more-than-one-months-worth-of-it-failures-at-major-banks-and-building-societies-in-the-last-two-years/>

⁸³ For more information about The Digital Pound, see <https://www.bankofengland.co.uk/the-digital-pound>

“I think the government is sort of at the heart of all of this because they regulate everything and they police everything.. [There is] so much to account for; as in for the businesses and for the consumers.” Participant, Bristol, W2

6.3: Consumer openness to some digital resilience solutions

Despite being sceptical that resilience can be purely delivered through digital means, participants are actively open to both current and future solutions developed by industry to address challenges which can be experienced when making digital payments.

Participants are extremely interested in the idea that the Digital Pound or other future payment innovations could work without the need for internet connection or phone signal, or again when your phone has run out of battery. This is where many participants see the most scope for the benefits of cash to be transferable to a digital form, improving people's individual resilience.

Several participants supported the introduction of a digital payment technology similar to that used by M-PESA⁸⁴, such as SMS technology to facilitate transactions or technology that would keep working without the internet or if apps fail. They are particularly optimistic that this could increase the resilience of payment systems in rural areas, or areas where problematic gaps in internet connection exist.

“Building on the point made about the Kenyan system and being able to use the payment where you don't have an internet connection in more rural areas. I think that's really useful because I have travelled quite a bit and some areas it's really difficult to get your bank login to the app and things that you can't always do it and so it would be really useful to have a system that can be used where there is no Wi-Fi or signal available both in this country and abroad.” Participant, Bradford, W2

“It would be handy to have the SMS system they've got and a digital wallet or something, because that would work on your phone signal rather than data signal. So that would be quite a good backup. You know when you don't have [much] signal, but you can still call 999?” Participant, Bristol, W2

“I'm sure everyone on the call has probably experienced that Bristol is horrendous for internet, particularly once you've got all the schools and all the students come back, because there's no bandwidth. I've had it over so many different networks. You just can't get a signal in town. So if you can pay via SMS, that would be a game changer for a lot of shops.” Participant, Bristol, W3

⁸⁴ For more information about M-PESA, see <https://www.vodafone.com/about-vodafone/what-we-do/m-pesa>

The policy perspective: building resilience

Personal resilience

Solutions have been developed by industry, and embraced by consumers, to address a range of challenges which can be experienced when making digital payments, most notably where digital connectivity is known to be an issue. For example, we have seen solutions developed to enable payment to be made when using a contactless card or digital wallet on transport networks, when paying for car parking charges by card, and it is also offered by some payment service providers to small and mobile businesses to guarantee a sale even if their Wi-Fi fails.

Consumers would value similar resilience being offered in situations where they may struggle to make a payment if their smartphone has no battery, whether it be through payments innovations (eg some form of offline card payment) or smartphone features. We understand that newer models of Apple phones offer this facility for public transport, yet we found that consumers are generally unaware of it.⁸⁵ It would be helpful for it to be better communicated, including how and where it works, as well as any limitations, and also for other smartphone systems to consider offering similar functionality.

More broadly, this issue highlights the value of engaging directly with consumers on payments matters, and understanding their worries about how digital payments work in practice. Those developing payment solutions would do well to consider how to emulate this engagement going forward.

System resilience

At a system level, resilience of payment systems is critical - consumers need to be able to depend on them. Recent high profile cases of cyber hacking have shaken people's faith in digital systems. Indeed, a recent report by LINK found that two-thirds of people report experiencing a "payments failure" and third of all those surveyed say they have experienced a system outage of some kind.⁸⁶

Responding to increased global uncertainty, and potential threats from cyber-attacks from malicious actors, a number of EU countries - including those that have been in the vanguard of moves towards a cashless society - have issued official guidance to citizens to retain a certain amount of cash in the event of emergencies.⁸⁷

Since the resilience of the payments system is extremely important to consumers, they expect it to be able to withstand extreme events and emergency situations. Given this, they see a central role for the government in guaranteeing essential payments

⁸⁵ <https://www.apple.com/uk/apple-pay/transport/>

⁸⁶ LINK (2025). [Tapping into Trouble? The UK's Growing Digital Payment Dependency](#).

⁸⁷ See, for example, information from Swedish authorities at <https://www.krisinformation.se/en/hazards-and-risks/home-preparedness/payment-during-a-crisis> and from the Netherlands at <https://www.dnb.nl/en/payments/cash-in-your-emergency-kit/>

infrastructure. The NPV and the PVDC Strategy herald a positive change in approach, signalling an expanded, more active role for the government and Authorities in designing and steering the development of the payments framework. Which? has previously flagged that the PSR move to FCA may diminish Parliamentary oversight of payments topics, and there is a need to establish clear lines of accountability to Parliament to ensure adequate oversight of this area.⁸⁸ Discussions and far-reaching decisions about the future strategy for payments make this need more acute, and heighten the need to ensure appropriate levels of democratic accountability. We suggest this could take the form of an annual report to Parliament, with additional oversight and scrutiny potentially provided by the Treasury Committee.

The government and UK authorities have already taken laudable and proactive steps to ensure that cash remains available and accessible for those who want to use it. They have sought to ensure that wholesale cash distribution infrastructure remains effective, sustainable and resilient in a lower cash usage world, and also introduced legislation to protect access to cash. Looking to the future, the government and Authorities need to consider whether this approach is sustainable as daily cash usage continues to decline. The Chief Executive of LINK, which operates the country's largest ATM (cash machine) network, has highlighted this point asking *"How can the infrastructure of ATMs and their supporting cash centres, all of which are run as commercial enterprises, be maintained when people only expect to use them rarely?"*.⁸⁹

Currently consumers simply do not believe that resilience can be achieved through digital means. As long as this remains the case then the demand for cash as a store of value - kept by consumers 'just in case' - will endure. The PVDC needs to reflect upon this and consider how new and emerging digital payment methods can deliver consumers' desire for resilience, and think carefully how it can provide compelling evidence that will convince consumers that they can be relied upon.

⁸⁸ Which? (2025). [HM Treasury consultation on 'A Streamlined Approach to Payment Systems Regulation' - Which? response](#).

⁸⁹ LINK (2025). [Protecting Access to Cash: LINK Annual Report 2024/2025](#).

Chapter 7: Summary and Recommendations

Chapter summary

- We make three strategic recommendations to ensure that the consumer interest is embedded in the development of future payments both now and on an ongoing basis:
 1. **Government's central role:** Payments are critical to the functioning of modern society. Participants want and expect the government to play a central role in guaranteeing the resilience of essential payments infrastructure, setting the strategic direction for payments innovations, and defining public policy challenges to be addressed.
 2. **Consumer engagement is critical:** Members of the public are able to quickly grasp complex topics, assess trade-offs and conflicts, understand the different drivers which motivate actors in the payments ecosystem, and suggest pragmatic and realistic ways forward. Engaging with a cross section of consumers should be a mandatory and integral part of the policy and design process which will determine the future of payments in the UK.
 3. **Dynamic and responsive systems:** The payments system must retain a sense of dynamism and remain responsive to consumer needs and preferences. The Payments Vision Delivery Committee (PVDC) must ensure there are regular (eg annual) reviews of the current state of UK payments. Mechanisms should be put in place to increase the ambition of standards / schemes over time, in line with changes in consumer expectations and technological developments.
- Through conducting this public dialogue, this research identified a number of immediate improvements consumers want to see to payments that will give them greater control. These should be actively explored by the RPIB and Delivery Company under the innovative new model to deliver the next generation of UK retail payments infrastructure. They include:
 1. modernising payment protections to reflect how people shop now.
 2. optimising and personalising security to minimise disruption but still reassure consumers.
 3. offering less clunky person-to-person payment options.
 4. giving consumers more clarity and certainty about when payments leave their account.
 5. putting consumers in control of recurring payments through the adoption of cVRPs with the right protections.
 6. promoting features which offer consumers greater convenience and control.
 7. addressing the inability to make offline digital payments.

At the start of this report, we observed that we currently stand at a critical juncture in the development of UK payments. The way we pay is rapidly changing due to technological innovations, meanwhile our payments infrastructure needs an urgent upgrade. Recognising this 'inflection point', and the consequent need for action, the UK government has taken a series of important steps over the last year. Although good initial progress has been made in plotting the future course of UK payments, there remains a huge amount to do.

From our perspective, one glaring omission in this activity to date is information about how consumer needs will be genuinely "baked in" to what is proposed and implemented. It's imperative that what consumers want and need from payments is reflected in what is developed, and to deliver on the assertion made that the Strategy *"has been developed with the needs of users, including those of end users, at its core."*⁹⁰

To inform this critical discussion, our research project sought to understand what is most important in making future payments work for consumers. The core message is clear: amid cost of living pressures, rising fraud, and high-profile security breaches, consumers need payments to help them stay in control of their money. Based on the detailed discussions we held with research participants over the course of our payments dialogue, we make recommendations focused at two distinct levels to meet this need:

1. Learnings to ensure that the consumer interest is embedded in the development of future payments both now and on an ongoing basis; and
2. Immediate improvements consumers want to see to their payments.

7.1: Learnings to ensure that the consumer interest is embedded in the development of future payments both now and on an ongoing basis

Based on the detailed discussions and insights from the payments dialogue, we make three strategic recommendations to ensure that the consumer interest is embedded in the development of future payments both now and on an ongoing basis:

1. for the government to play a central role in setting the future development of payments;
2. for mechanisms to be put in place to enable meaningful public involvement in these discussions; and
3. for the establishment of mechanisms to increase the ambition of standards / schemes over time.

Consumers expect government to play a central role in steering the future development of payments

In the previous chapter on resilience, we saw how some participants see a central role for the government in guaranteeing essential payments infrastructure is in place and functioning.

⁹⁰ [Strategy for Future Retail Payments Infrastructure](#), p.6.

A central role for government



In discussions on resilience and innovation, participants had both a pragmatic understanding of the limitations of digital resilience today but a clear desire to enhance it in the future. This is where many want the government to play a central role in payments. In this context, the concept of a Digital Pound sparks curiosity but also scepticism, and participants recommend considerable investment is allocated towards further public engagement in the specifics of this idea to inform its development.

The NPV and the associated PVDC Strategy herald more involvement from government and the regulators in setting the strategic direction for payments innovations, and defining public policy challenges to be addressed (eg to tackle fraud, to address digital payments exclusion and to ensure appropriate payment purchase protections apply). This is welcome and aligns with consumer expectations.

Meaningful public involvement in changes to the payments system

It is always gratifying and sometimes striking when, as researchers, participants come up to you at the end of a process and say how surprised they were to have so enjoyed taking part (some admitted to fearing payments might be quite a 'dry' topic). Many said they found the discussions so useful for their own lives and how they felt the reward of contributing to a discussion that is important for society.

From workshop to workshop, it was clear to see how participants' confidence in engaging with the topic grew. They moved from focusing on their own personal experiences and knowledge, to listening to and reflecting on each other's experiences, such as the payment changes experienced during the COVID pandemic and helping older parents and grandparents adjust to new technologies.

Participants were also extremely realistic and pragmatic in their discussions about the priorities for future innovations. They often acted as their own facilitators, coming up with solutions to certain design issues but then discussing potential drawbacks of that solution to other elements of the payments system. They were very cognisant that sometimes their individual needs are in conflict with those of others and could create issues or higher costs for small businesses. As the workshops went on, they demonstrated a strong ability to think

through a systems design perspective, bringing in both their personal preferences and what they thought would work best for society and the payments industry as a whole.

At the end of the research, several participants stated in their message to government that they hoped to see greater public involvement in the design of a future payments system – to ensure changes are in line with their needs and their values.

Message to government by a group in Bristol at the end of the public dialogue

We would like to see a future payments system in the UK that is more... **secure, transparent, trustworthy, simple to understand and flexible, convenient, accessible and independent,**

and less... **top end bias, hidden, less confusing, less jargon, bureaucracy, less closed off the public,**

and to achieve that we are willing to... **be more responsible, accept change, be more flexible and engage in the process.**

Historically, there has been limited consumer involvement in the development of new payments initiatives. This has meant that what has been introduced has been driven by the interests of industry, and has often failed to meet consumer needs.

Since consumers are the ultimate users and beneficiaries of payment systems, and rely on them in many aspects of their daily life, it's unsurprising that they want their voice to be heard in discussions about the future of payments. Our research showed that not only are consumers genuinely interested in contributing to this dialogue but that they are able to quickly grasp complex topics, assess trade-offs and conflicts, understand the different drivers which motivate actors in the payments ecosystem, and suggest pragmatic and realistic ways forward. For example, they are receptive to innovations, such as conditional and reversible payments that promise greater control.

Involving consumer organisations in the development of new payments initiatives is welcome, and represents a practical way to elicit the consumer viewpoint. However, for discussions which relate to issues of fundamental importance such as the renewal of the payments system on which we all rely, this should be supplemented with an obligation to engage with a cross section of consumers as a mandatory and integral part of the policy and design process.

Ensuring there are mechanisms to increase the ambition of standards / schemes over time

As a consumer organisation, we want to see consumers benefit from the immediate improvements outlined above, and for the consumer interest to be embedded in the development of future payments both now and on an ongoing basis.

We are not wedded to how they are achieved - whether they are best delivered at the infrastructure layer, in the associated scheme rules or via the development of overlays, or by individual firms offering innovative products to their customers. Provided that improvements are delivered to consumers, we are willing to endorse an approach that works, that maximises efficiency and minimises costs.

What is important to us is that the introduction of improvements is not confined to a single point in time, after which they remain forever unaltered. In the past we have seen payments infrastructure remain almost wholly untouched for decades (eg Direct Debits have remained largely unchanged since the 1970s). HM Treasury has previously acknowledged that the network nature of payment systems means they may not be responsive to service-user needs and wishes.⁹¹ This needs to change. To ensure the payments system retains a sense of dynamism and remains responsive to consumer needs and preferences, the PVDC must ensure there are regular reviews of the current state of UK payments. Mechanisms should be put in place to increase the ambition of standards / schemes / overlays over time, in line with changes in consumer expectations and technological developments. Given the fast changing nature of payments, an annual assessment appears reasonable.

This regular review would remove the need to build an all-encompassing payments infrastructure from Day 1, which would be costly, difficult, struggle to anticipate future needs, and soon become out of date. It would also be aligned with the proposed “*modular development and seamless integration of value-adding overlay services*” advocated in the PVDC strategy.⁹²

7.2: Immediate improvements consumers want to see

Through conducting this public dialogue, this research identified a number of immediate, practical improvements consumers want to see in payments that will give them greater control. These should be actively explored by the Retail Payments Infrastructure Board (RPIB) and Delivery Company under the innovative new model to deliver the next generation of UK retail payments infrastructure.⁹³ Further consumer engagement will be required in each of these areas to ensure their design meets end-user needs. The issues are highlighted throughout this report and are repeated below.

Table 5: Immediate improvements consumers want to see in payments

Improvement	Detail
1. Modernise payments purchase protections in pragmatic ways so they reflect how and where people shop now (eg via online marketplaces, booking platforms, social media sites)	Payment purchase protections have not kept pace with changes in how people shop nowadays (eg via online marketplaces, booking platforms, social media sites) - they should be updated. Consumers also expect a consistent baseline of purchase protections regardless of where they shop or how they pay, including when using new payment methods. However, they recognise this needs to take into account costs incurred by

⁹¹ HM Treasury (2015). [Designation of payment systems: response to the consultation](#).

⁹² PVDC (2025). [Strategy for Future Retail Payments Infrastructure](#).

⁹³ Bank of England (2025). [Payments Vision Delivery Committee update](#).

businesses and to think carefully about what type of transactions should be protected and at what level. There is a need to take a fresh, fundamental look at payment purchase protections to ensure they reflect what consumers want, and the risks they face based on how and where they shop now. This is a complex issue that will require further careful in-depth deliberation between consumers, industry, government and regulators about the protections needed and the costs associated with providing them.

2. Optimise and personalise security to minimise disruption but still reassure consumers	People welcomed security measures implemented by banks to keep them safe (eg 2FA, biometrics). They want to see these personalised based on what banks know about them, and better targeted at the areas of greatest risk eg when setting up new payees, or making larger payments.
3. Offer less clunky person-to-person payment options which simplify setting up new payees	Setting up a new payee to transfer money - a person-to-person payment - is viewed as clunky. Some firms offer innovative services but currently there is no consistent offering to enable all consumers to benefit from a simplified and easier to use service.
4. Instant payment clearing - give customers clarity and certainty about when payments leave their account	Consumers are sometimes confused about how much they have in their account since it is not always clear when payments will leave. Some payments can take a while to clear, or can be marked as pending for an indeterminate period. This can cause issues, especially for those on tight budgets who can end up spending money they don't have.
5. Put consumers in control of recurring payments by offering more flexible options to Direct Debits and Continuous Payment Authorities	cVRPs offer the potential to put consumers in control of recurring payments by offering them flexibility over timing (eg over payment date) and amount. Such features better reflect many consumers' changing work patterns and variable income streams. It is important cVRPs have the right protections, and consideration should also be given to offering customisable notifications, and requiring authorisations for recurring payments above certain amounts.
6. Develop and promote features which offer consumers greater convenience and control. Consider how to disseminate them across industry	<p>Consumers would like to see:</p> <ul style="list-style-type: none"> • Better and safer third-party options to allow people who need extra help with their money to give trusted individuals limited access to funds, eg via carer cards / access to a limited amount or an allocated pot for shopping on behalf of someone. <p>Options to enhance visibility:</p> <ul style="list-style-type: none"> • Ability to create sub-account 'pots' to give more control over spending, eg to allow people to put money aside for utility bills, vet costs etc • Tailored spending notifications to alert consumers when they have just made a payment so they can be confident they are in control. Recognising consumers want

different levels and types of notification, they should be customisable, though by default they should be turned on.

Recognising that some of these features are offered by certain providers, consideration should be given to what more could be done to publicise them, or how to encourage wider adoption since many people don't switch bank accounts.

7. Address the inability to make offline digital payments to give consumers more confidence in the resilience of digital payments

The inability to pay when a smartphone battery is dead should be addressed. This could require either payment innovations like offline card payments or enhanced smartphone features, similar to those on some newer Apple smartphones. To complement this enhanced ability, it should be better communicated to consumers, detailing how and where it works, and its limitations. More broadly, the ability to make offline payments should be considered in the development of payment methods to give consumers more confidence in the resilience of digital payments, and their ability to withstand outages.



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