



End User Advisory Council – Annual Report 2024

June 2025

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Chair's overview



Anna Bradley
Chair
End User Advisory Council

I am pleased to present the seventh End User Advisory Council (the 'Council') annual report, reflecting on the period January to December 2024. The Council provides advice and challenge to the Pay.UK Executive team and Board, advocating for the needs and priorities of consumers and business users of the retail payments systems.

2024 saw several critical developments in the UK payments sector, including the Government's consultation on, and subsequent publication of, the National Payments Vision. This key document sets out the Government's ambitions for the UK's payments sector to deliver world-leading payments. The Council was pleased to contribute directly to this process, details of which are summarised in this report.

Other notable activity this year included the Council's review of Pay.UK's policy proposals across its priority projects and change agenda. In particular, we discussed several aspects of the fraud agenda, including the approach that Pay.UK should take to its new role in relation to authorised push payment (APP) scams and the expansion of the Confirmation of Payee service.

The Council also advised on the Image Clearing Service (ICS) that underpins cheques, exploring the different scenarios in which cheques might be used by different end users, and the role of cheques for vulnerable customers and in relation to financial inclusion. Further detail of these discussions is also covered in this report.

A key theme that emerged in all our discussions this year was the importance of Pay.UK understanding the distinct use cases of different payment methods for different groups, and the way this should influence design, implementation, and operation of its products and services. Understanding the diverse characteristics, needs, and priorities of different end-user groups is crucial to ensuring that Pay.UK continues to deliver in the public interest and against its end-user objectives.

The Council also advised Pay.UK on how to integrate end-user needs and priorities into its daily operations, amplifying the voice of the end user within its business-as-usual activity. To this end, the Council worked with Pay.UK to develop consumer and small and medium-sized enterprise (SME) personas to bring to life end-user interests.

Further development will be essential as Pay.UK works to deliver the National Payments Vision, upgrade its infrastructure through the Next Generation infrastructure programme, and take the next steps in combatting fraud in 2025.

At the end of the year the Council strengthened its own pool of expertise by adding several new members. We thank all the members for their contributions throughout the year and look forward to working together and with Pay.UK in integrating the end user into Pay.UK's work in 2025.

1 Policy influence – Embedding the end user in core activities



National Payments Vision

The Council spent much of 2024 working with Pay.UK, regulators and the Government on the future of payments as part of the National Payments Vision consultations. The Council worked with Pay.UK to define a set of end-user outcomes for the vision – choice, control, convenience, and certainty – which Pay.UK used to frame its submission to the National Payments Vision, and which were ultimately reflected in the publication.

The Council worked to develop how Pay.UK could deliver these outcomes and their implementation through its products and initiatives. In particular, the Council emphasised the importance of consistent consumer protection and privacy arrangements across all payment methods to encourage adoption and create a level playing field that allows choice. The Council highlighted that differences between payment methods in relation to protection and costs were likely to drive both consumer and merchant behaviour.

The Council also advised Pay.UK on the importance of inclusion of vulnerable customers and underserved groups. In particular, it highlighted the relevance of issues such as accessibility, digital inclusion

and divergent payment needs, and explored the way these should influence the overall design of future payments.

The Council further explored the critical role of small and medium-sized enterprises (SMEs), with members emphasising their importance to adoption of payment methods, the balance of cost savings versus implementation costs when introducing new payment methods, and the need for effective marketing campaigns to communicate value propositions.

Council members presented these challenges directly to His Majesty's Treasury (HMT) during a joint session with the Industry Advisory Council (IAC), demonstrating a clear example of end-user engagement enabling meaningful input into sector policy development. The Council was pleased to see that the final National Payments Vision document reflected much of its feedback when published in November, helping to keep end-user needs at the heart of payments sector reform.



Pay.UK Fraud Programme

Fraud continues to be a key area of focus for Pay.UK, in line with its core role to ensure the ongoing safety and security of the payment systems it operates. Pay.UK's dedicated Fraud Programme looks to mitigate and reduce the instance of fraud in the UK, and in 2024, sought EUAC's views on all aspects of the programme.

One such area was the authorised push payment (APP) reimbursement scheme that established an industry-wide, consistent compensation framework for victims of APP scams. Prior to the launch of the scheme in October 2024, Council members were concerned about equitable access to the scheme, especially for more vulnerable customers who may be less likely to use fraud detection, prevention, and compensation services. Again, the importance and relevance of understanding divergent use cases among different end-user groups was emphasised, as was the importance of consumer protection and consistent user experiences across providers.

The Council was also regularly updated on Pay.UK's wider Fraud Programme. This included the expansion of the Confirmation of Payee service; the Enhanced Fraud Data project, particularly in relation to market adoption; and the new Fraud Detection Overlay product and its related proof of concept pilot. In each case the Council's contributions drew out the potential impacts on end users, with particular focus given to unintended consequences, access and inclusion, and adoption.

Innovation and modernising our services

In 2024, Pay.UK continued to work to ensure that its products and services remain relevant, effective, and fit for purpose in an ever-evolving payments landscape. As such, EUAC was consulted throughout the year on its priorities for modernisation and was asked to consider potential impacts on different end-user groups.

Image Clearing System (ICS)

A key area of discussion was the future of the ICS, which underpins the use of cheques and credit notes. In 2011 the Payments Council committed to maintaining cheques for as long as they are needed, and Pay.UK is also therefore committed to ensuring that it is maintained for end users.

Changes in the way that people pay mean that the ICS volume has declined over recent years, and by 47% since 2019. As the cost of providing the service is relatively fixed, the cost to process each item is rising every year. This has created price and sustainability challenges for payment system participants, encouraging Pay.UK to consider where cost savings might be made, and what the minimum requirements would be to maintain a viable, sustainable ICS for the long-term.

To support this work, Pay.UK collated data and gathered insights to inform ‘policymakers’ thinking about the UK’s future payments infrastructure needs. EUAC reviewed these insights, reflecting on what it said about who uses cheques and why, and what this might mean for minimum requirements and future strategy.



The insight considered the different ways that consumers and businesses are now using cheques, and identified some industrial sectors and end-user groups that were more heavily dependent on cheques. This enabled discussion about the drivers of usage in each use case, including the value of a payment mechanism for payers that does not require information about bank details, and SME considerations around cashflow management and administrative costs. One interesting point raised by the analysis was the level of uncashed cheques, worth around £2-4bn a year. This illustrates the fact that sometimes cheques are used to suit the payer but not the payee and there may be economic detriment emerging as a result.

Members of the Council discussed why this might be the case, including issues of accessibility as a result of bank branch closures and poor local transportation, particularly for those end users less able to use digital banking applications.

The Council was impressed with the thoroughness and sophistication of the analysis, and encouraged Pay.UK to continue gathering insight to inform the future of ICS services and wider government policy. The Council thought this work established a strong benchmark for the organisation about how a detailed understanding of end-user needs and behaviour could influence payments delivery. The Council encouraged Pay.UK to increase its use of this approach more broadly, leveraging its unique position and data analysis capability to enable more projects to be driven by end-user insights in a similar way moving forward.

Account-to-account (A2A)

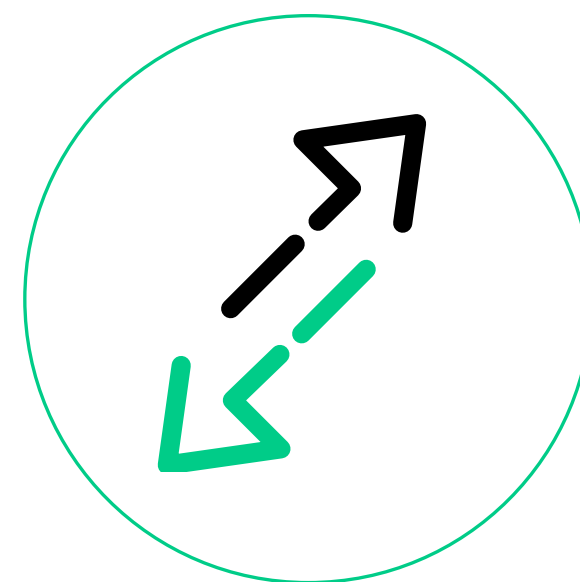
In November, the Government made clear that delivery of an account-to-account (A2A) retail payments product will be a key deliverable of its National Payments Vision. While recognising Pay.UK's role in A2A versus other authorities, the Council discussed end-user considerations for a potential A2A product, including insights on value proposition, implementation costs, and consumer protection. We noted that any future A2A payment method should provide adequate consumer protection, potentially equivalent to those provided by cards, to enable consumer confidence and avoid potential consumer detriment. The Council pointed out that while A2A could provide significant cost savings for merchants in comparison to card payments, the lack of incentive to switch for consumers could inhibit adoption, as could issues around digital exclusion.

The Council reiterated the importance of articulating what the benefits of A2A could be for end users, as well as merchants and banks. We encouraged Pay.UK to play a role in facilitating the creation of clear examples to illustrate the value for different groups of people. Such examples could play a key role in encouraging development and eventual adoption.

Current Account Switch Service

The Council discussed the draft strategy refresh of the Current Account Switch Service, with a particular focus on the way the service is used by different groups of end users. Council members explored the barriers to usage for some user groups, particularly those who had poorer credit records and/or loans connected to their banking facility, and SMEs.

EUAC offered advice on work that might help to reduce the barriers for some end users. Many of these suggestions were incorporated into the planning for ongoing Current Account Switch Service marketing in 2025, in line with CMA undertakings, to engage with underserved and vulnerable groups.



2 Amplifying the end-user voice across Pay.UK's work

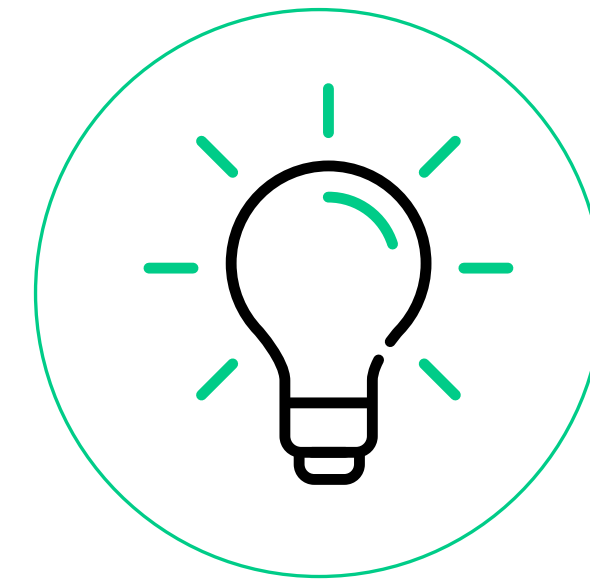
Bringing the end user to life – Personas

EUAC's core purpose is to ensure that the end-user view is considered and embedded in Pay.UK's work. To this end, the Council played a key role in shaping Pay.UK's end-user personas, which are characterisations of archetypal end-user groups that can be used to help guide organisational thinking and ensure the voice of the end user is heard.

Council member views helped shape Pay.UK's overall approach to personas as well as the detail for specific persona profiles, for example in suggesting improvements to incorporate vulnerable end-user needs. In addition, members' data and insights influenced the development of Pay.UK's SME personas, including creating a 'payments maturity index' that enabled a segmentation of SMEs that is relevant to Pay.UK's work, and which will form the foundation of development of SME personas.

The Council also advised on how Pay.UK could embed the personas into everyday ways of working within the organisation. This included proposals to conduct regular lived experience research, to segment research and insights work by impact on different personas, and to integrate personas into scenario planning. The Council also offered suggestions on how to increase ownership and visibility of the personas across the organisation.





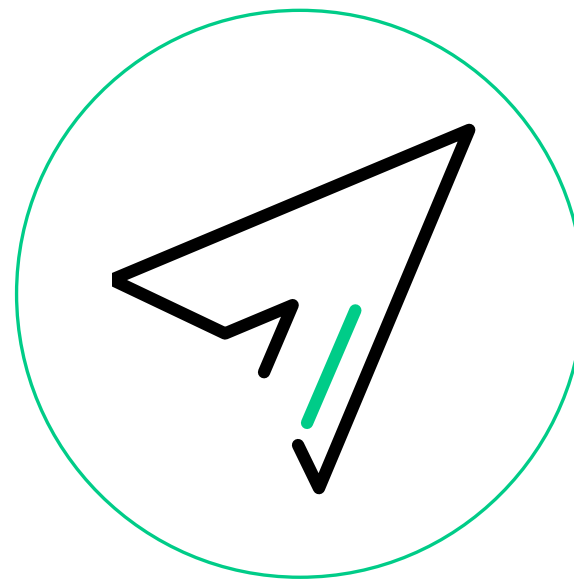
Pay.UK's agenda and roadmap

The Council discussed Pay.UK's overall work roadmap, including the organisation's strategic priorities and key projects. This area of engagement was identified as an opportunity for improvement. Pay.UK is revising its approach to engaging the Council on its activity roadmap for 2025, including revisiting the skills, experience, and expertise of the Council, and identifying areas where EUAC members can add most value. Pay.UK committed to bring back a proposal to EUAC in early 2025.

Finally, we reviewed the Council's membership and participation, with additional recruitment to the Council taking place at the end of the year. All new members bios have been added to the Pay.UK external website.

3 Forward look

Throughout 2025 EUAC will continue to advise Pay.UK on its response to the National Payments Vision, using its expertise to ensure that the needs and priorities of end users continue to be considered as the payments sector is reformed and modernised. The Council will also work with Pay.UK to expand awareness and integration of the end-user personas into its work, helping to embed end-user thinking across the company and throughout the product lifecycle. Finally, the Council will continue to consult and support across Pay.UK’s strategic priorities, particularly areas that can have a strong impact on end-user outcomes, such as the Fraud Programme, and Pay.UK’s product development roadmap.



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2 Thomas More Square, London, E1W 1YN.
Company Registration Number: 10872449.
Email: enquiries@wearepay.uk

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