

October 20, 2025

Payments and Fintech
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Submitted online through streamlinedpaymentsconsultation@hmtreasury.gov.uk

Re: A Streamlined Approach to Payment Systems Regulation Consultation

To Whom It May Concern:

The Merchant Advisory Group (MAG) respectfully submits these comments in response to the Payment Systems Regulator's Open Consultation regarding "A Streamlined Approach to Payment Systems Regulation."

The MAG appreciates the opportunity to comment on this important issue. Competition, transparency, and innovation are critical for ensuring an equitable payments system. As the government considers the consolidation of the Payment Systems Regulator (PSR) into the Financial Conduct Authority (FCA), it is imperative these principles are prioritized.

I. Background

About the MAG

At the MAG, we drive payments innovation by championing merchants in pursuit of a more equitable payments ecosystem. Every day, we connect industry leaders through collaboration, education, and advocacy to drive positive change. Our 200 merchant members come from all sectors of the economy: airlines, amusement parks, communications, convenience, gaming, grocery, hotel, insurance, restaurant, retail, and software.

II. Open Line of Communication

The MAG is appreciative of the collaboration between the PSR and merchants to date. We encourage this relationship to continue as the PSR is woven into the FCA.

III. Data Driven Approach

The PSR has a strong history of using economic data and technical insights to formulate its regulations. This should not stall as the FCA absorbs the responsibilities of the PSR.

IV. Alternative Secure and Efficient Payments

The MAG recommends that the FCA considers how alternative payments methods allow for competition, innovation, and transparency. Open banking provides an opportunity for API reliability, security innovation, efficiency, and cost savings in payments acceptance. As the landscape evolves, merchants' access to choice, new products, and services will help not only our businesses, but also our consumers.

V. Conclusion

The MAG and its members are committed to fostering a secure and efficient payments ecosystem that benefits both merchants and consumers. We also urge the FCA to maintain support for investigations, including the cross-border interchange fees review and the scheme and processing fees review. The MAG appreciates the government's consideration of the merchant perspective and welcomes the opportunity to engage further in this process to ensure that the PSR and FCA achieve the objectives of a streamlined and efficient approach to payments regulation.

Respectfully,



John Drechny
CEO
Merchant Advisory Group