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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations comply with the obligations to designate competent authorities, lay down rules on penalties and take measures for the settlement of disputes under Articles 13 to 15 of Regulation (EU) 2015/751 of the European Parliament and of the Council of 29th April 2015 on interchange fees for card-based payment transactions (OJ L 123, 19.5.2013, p.1.) (“the interchange fee regulation”). They also exercise in the United Kingdom the options under Articles 1(5) and 3(3) of the interchange fee regulation to grant relief from some requirements of the interchange fee regulation for a limited time.

Part 2 designates the Payment Systems Regulator as a competent authority in the United Kingdom for the interchange fee regulation and sets out the duties and powers of the Payment Systems Regulator in that role. The regulatory regime set out in Part 2 is closely aligned to the existing regime overseen by the Payment Systems Regulator under Part 5 of the Financial Services (Banking Reform) Act 2013 (c. 33).

Part 3 designates the Financial Conduct Authority as a competent authority in the United Kingdom for certain provisions of the interchange fee regulation, and amends the Payment Services Regulations 2009 (S.I. 2009/209) so that the relevant requirements of the interchange fee regulation are treated as being requirements imposed by those Regulations. The Financial Conduct Authority may act under the Payment Services Regulations 2009 to supervise and enforce compliance with those requirements by firms regulated under those Regulations.

Part 4 adds Article 10(4) of the interchange fee regulation (which requires payees to inform consumers if they do not accept all cards issued under a payment card scheme) to Schedule 13 of the Enterprise Act 2002 (c. 40) so that the Competition and Markets Authority, local weights and measures authorities in Great Britain and the Department of Enterprise, Trade and Investment in Northern Ireland may enforce a contravention of Article 10(4) which harms the collective interests of consumers under Part 8 of the Enterprise Act 2002.

Part 5 amends provisions in the Financial Services (Banking Reform) Act 2013, which require co-operation between the Payment Systems Regulator, the Financial Conduct Authority, the Bank of England and the Prudential Regulation Authority, such that those co-operation requirements include the functions of the Payment Systems Regulator and Financial Conduct Authority in relation to the interchange fee regulation. Part 5 also requires co-operation between the Payment Systems Regulator and the Competition and Markets Authority, local weights and measures authorities in Great Britain and the Department of Enterprise, Trade and Investment in Northern Ireland.

Part 6 exercises the option in Article 1(5) of the interchange fee regulation, exempting from the interchange fee cap until 9th December 2018 domestic transactions under any three party payment card scheme which is considered to be a four party payment card scheme pursuant to Article 1(5) of the interchange fee regulation, and which does not exceed the market share set out in Article 1(5). Part 6 also exercises the option in Article 3(3) of the interchange fee regulation, allowing payment service providers to apply the interchange fee cap on a weighted average basis for domestic debit card transactions, until 9th December 2020.

Part 7 provides for the Treasury to review the Regulations at intervals not exceeding five years. In addition, Article 17 of the interchange fee regulation requires the European Commission to review the application of the interchange fee regulation by 9th June 2019.

A full Impact Assessment of the effect that these Regulations will have on the costs of business and the voluntary sector is available from Her Majesty's Treasury, 1 Horse Guards Road, London SW1A 2HQ or on HM Treasury's website ([www.gov.uk/government/organisations/hm-](http://www.gov.uk/government/organisations/hm-treasury)

**Changes to legislation:** *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Payment Card Interchange Fee Regulations 2015. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

treasury) and is published with the Explanatory Memorandum alongside these Regulations on the legislation.gov.uk website.

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**Changes and effects yet to be applied to :**

- Regulations power to modify conferred by [2023 c. 29 s. 3Sch. 1 Pt. 2](#)
- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)
- reg. 2(1) words inserted by [S.I. 2023/790 reg. 3\(2\)\(a\)](#)
- reg. 2(1) words inserted by [S.I. 2023/790 reg. 3\(2\)\(b\)](#)
- reg. 2(1) words inserted by [S.I. 2023/790 reg. 3\(2\)\(c\)](#)
- reg. 2(1) words inserted by [S.I. 2023/790 reg. 3\(2\)\(d\)](#)
- reg. 2(1) words inserted by [S.I. 2023/790 reg. 3\(2\)\(e\)](#)
- reg. 2(1) words substituted by [S.I. 2023/790 reg. 3\(2\)\(f\)](#)
- reg. 3(2)(a)(i) word omitted by [S.I. 2023/790 reg. 3\(3\)\(a\)\(i\)](#)
- reg. 3(4)(c) substituted by [S.I. 2023/790 reg. 3\(3\)\(b\)](#)
- reg. 3(5)(a) words substituted by [S.I. 2023/790 reg. 3\(3\)\(c\)](#)
- reg. 4(2)(a)(i) words inserted by [S.I. 2023/790 reg. 3\(4\)](#)
- reg. 4(2)(b) words inserted by [S.I. 2023/790 reg. 3\(4\)](#)
- reg. 9(1)(a) words inserted by [S.I. 2023/790 reg. 3\(6\)](#)
- reg. 10(1) words inserted by [S.I. 2023/790 reg. 3\(7\)](#)
- reg. 12(1) words substituted by [S.I. 2023/790 reg. 3\(8\)](#)
- reg. 14(1)(b) words substituted by [S.I. 2023/790 reg. 3\(9\)](#)
- reg. 15(2)(a)(i) words inserted by [S.I. 2023/790 reg. 3\(10\)](#)
- reg. 15(3)(b)(i) words inserted by [S.I. 2023/790 reg. 3\(10\)](#)

**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 2(1A) inserted by [S.I. 2023/790 reg. 3\(2\)\(g\)](#)
- reg. 3(2)(a)(iii) and word inserted by [S.I. 2023/790 reg. 3\(3\)\(a\)\(ii\)](#)
- reg. 4A inserted by [S.I. 2023/790 reg. 3\(5\)](#)