



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Lord Holmes of Richmond
House of Lords
London
SW1A 0PW

19 April 2023

Dear Chris,

FINANCIAL SERVICES AND MARKETS BILL: CONTACTLESS PAYMENTS

Thank you for your contributions during the seventh Grand Committee debate on the Financial Services and Markets Bill on 7 March 2023. I am writing to provide some additional information that you requested, and to make a correction to a statement I made in the course of that debate.

During the debate, you asked for further information about the frequency with which people are using contactless payments.

As I noted during the debate, 86% of UK adults made contactless payments in 2021. This is based on data provided in the “UK Payment Markets 2022” report by UK Finance, which found that in that year, 86% of UK adults made contactless payments at least once a month, or more frequently.

Separately, in my remarks relating to amendments 186 and 239 in your name, I misspoke when I stated that the Payment Systems Regulator has launched a call for evidence on the future direction of payments regulation. It is in fact HM Treasury, rather than the Payment Systems Regulator, that published a "Review and Call for Evidence on the Payment Services Regulations" on 13 January 2023. It closed on 7 April 2023 and the government is now carefully considering the responses received.

I look forward to further discussing these issues throughout the passage of the Bill. I am copying this letter to other Peers who spoke during the debate, and I am placing a copy in the Library of the House.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Baroness Penn', with a stylized, cursive script.

BARONESS PENN