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# PSD2 Update: Government chooses to gold-plate bank revenues in the Payment Services Regulations

Last week the Conservative Government published their response to the consultation on the Payment Services Regulations. It's clear to consumers where their priorities lie.

Over the last few months, thousands of consumers have mobilised to ask the Government to make pricing in foreign exchange transparent. They signed petitions, wrote to their MPs and hundreds responded to the Treasury's consultation on the Payment Services Regulations, asking them to fix misleading pricing structures in foreign exchange. Because right now, just 80% of UK consumers do not know, or didn't understand that there is an exchange rate mark up.

But the Conservatives still refused to fix this broken market.

As the regulations are currently drafted, firms can keep hiding charges in the exchange rate. They can advertise themselves as offering a 'free' or '0% commission' service. This total lack of clarity means that half of all consumers who regularly send and receive money abroad struggle to compare providers.

Ex-banker and current City Minister, Stephen Barclay, stated earlier this week to the House that "the Government is committed to the principles of market transparency".

But when he had the opportunity to introduce transparency in the regulations, the Treasury stated that, despite the benefits of doing so, they couldn't increase transparency, and therefore the costs to the banks, as this would be considered 'gold-plating'.

Gold-plating is a weak excuse. The Government committed to building on the regulations where it would reduce costs for businesses and consumers — the reality is they are gold-plating the banks' revenues.

Banks and other high street providers make an estimated £5.6bn each year in charges hidden in the exchange rate. These providers are able to do this, in part, because consumers do not know how much they are paying to change their own money - or how to compare providers.

The Regulations will be up for debate in the House this autumn — and we will keep urging the UK Government to reconsider until they finally take action.

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#### ABOUT WISE

Wise is a global technology company, building the best way to move money around the world. With the Wise account people and businesses can hold over 50 currencies, move money between countries and spend money abroad. Large companies and banks use Wise technology too; an entirely new cross-border payments network that will one day power money without borders for everyone, everywhere. However you use the platform, Wise is on a mission to make your life easier and save you money.

Co-founded by Kristo Käärmann and Taavet Hinrikus, Wise launched in 2011 under its original name TransferWise. It is one of the world's fastest growing, profitable technology companies and is listed on the London Stock Exchange under the ticker, WISE.

13 million people and businesses use Wise, which processes over £6 billion in cross-border transactions every month, saving customers over £1 billion a year.

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