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# Specification: Merchant Payments Working Group

## Working Group Roles

* Working Group Lead: Matt Simester, Managing Director, Piran Consulting & Ambassador, The Payments Association
* Working Group Mentor: XXXX
* Working Group Manager: Tom Brewin - Head of Projects, The Payments Association

## Working Group Members

### Committee

* The Committee will prioritise representation from merchants, while also including participants from the broader payments ecosystem to enable open and constructive dialogue.
* All Committee members are expected to adhere to the Working Group’s *Code of Conduct*.
* A merchant-only Committee meeting will be held once per quarter.
* The Committee may set agendas in advance and extend invitations to relevant members with a specific interest in the topics to be discussed.

### Supporters

* Participation is open to all members of The Payments Association.
* All Supporter members are also required to observe and uphold the *Code of Conduct*.

## Working Group Purpose

The Merchant Payments Working Group will support merchants and payments providers by identifying challenges and opportunities in the rapidly evolving merchant payments ecosystem. It will provide a structured forum to represent the various merchant needs and challenges, promote innovation, and encourage the development of fair and future-proofed payments infrastructure, standards, and policies that benefit both merchants and the wider industry.

## Working Group Activities

The Working Group will define and maintain a list of prioritised initiatives aimed at delivering value to merchants and payments providers. These initiatives will be designed to:

1. Improve the payments experience for merchants and their customers
2. Champion merchant voices in relevant regulatory, commercial, and policy forums
3. Drive clarity, transparency, and fairness in the acquiring and processing ecosystem
4. Provide a platform for merchant members to share best practices, challenges, and innovations

Activities will be aligned with the following principles:

1. Merchant needs will be central to all initiatives
2. Initiatives will complement and not duplicate existing industry programmes
3. Outputs will provide actionable insights for both policy and product development
4. Collaboration will be encouraged across the payments value chain

### Thought Leadership

The Working Group will act as a centre of excellence on merchant payments, producing regular thought leadership to elevate awareness and spark debate on critical issues. This may include, but is not limited to:

* Surveys and polls to capture member insights and assess pain points
* Insight reports featuring data analysis, case studies, and strategic recommendations for industry stakeholders
* Opinion pieces through TPA’s newsletters ([Payments Review](https://thepaymentsassociation.org/payments-review/) and [Payments Intelligence](https://thepaymentsassociation.org/payments-intelligence/)) to encourage further awareness of the working groups’ perspectives on merchant payments
* Interactive roundtables, held virtually or in person, to facilitate dialogue
* Best practice guides to support improved operations across the ecosystem
* Webinars and podcasts to broaden reach and engagement

Key topics for thought-leadership may include, but is not limited to:

1. Fraud and chargebacks: addressing card-not-present fraud, first-party misuse (friendly fraud), unauthorised transactions, and subscription abuse
2. Cross border risk: tackling fraud in international e-commerce and managing compliance across jurisdictions
3. Modernising payments infrastructure: Upgrading systems to support new payment methods and growing transaction volumes
4. Navigating regulatory changes: responding to regulatory shifts (e.g. BNPL, scheme fee changes, PSD3)
5. Emerging payment methods: evaluating opportunities and risks of open banking, digital wallets, stablecoins, and alternative rails
6. Checkout optimisation: enhancing conversion through payment UX, intelligent routing, and localisation strategies
7. Data and analytics: leveraging payments data for customer insights, fraud prevention, and performance improvement
8. Interchange and scheme fees: understanding fee structures and advocating for greater transparency and fairness

This thought leadership will position the Working Group as a respected voice in the discussion around modernising merchant payments.

### Delivering Merchant Transact 360 at PAY360

#### The Merchant Payments Working Group will play a strategic role in supporting Merchant Transact360, the new merchant-focused content stream at the TPA’s PAY360 conference in March 2026. This initiative presents a major opportunity to elevate merchant voices and address the most pressing challenges and innovations in the merchant payments landscape. This activity may become the responsibility of a sub-group within the working group.

The Working Group/sub-group will:

1. Shape the Merchant Transact360 agenda
2. Curate speaker suggestions and content
3. Promote merchant participation and visibility
4. Develop spotlight report/research for launch at PAY360

### Stakeholder Engagement

The Working Group will actively engage a broad set of stakeholders, including:

Merchants:  
Retailers, digital marketplaces, hospitality, transport, and other merchant verticals

Payments Providers:  
Acquirers, PSPs, ISOs, payment orchestration platforms, and card schemes

#### Industry Bodies and Policy Makers:

* HM Treasury
* Payment Systems Regulator (PSR)
* Financial Conduct Authority (FCA)
* Pay.UK
* UK Finance
* Innovate Finance
* Retail and SME trade associations (e.g. the British Retail Consortium)

The Working Group will respond to consultations and issue position papers on regulatory and market developments that impact merchant payments, such as:

* Interchange and scheme fees
* Terminal infrastructure access and pricing
* Alternative payment methods
* Open Banking and open finance enablement
* SME access to digital payments

These responses will reflect the views of both merchants and the payment providers that serve them, helping shape a more balanced ecosystem.

## Working Group Budget

The Merchant Payments Working Group will be seeking funding from the TPA community. Any expenditure will require sign-off by the Project Mentor in conjunction with the Project Lead and Project Manager.

## Note on Working Group Activities

The exact deliverables and timescales will be subject to approval and sign-off from the Working Group mentor*.* It is likely that the scope will change and a small number of high impact activities that are identified will either be at minimal, or no cost will be selected, or by identifying a Benefactor to help fund the activities.

## Review & Reporting

Main achievements and overall project activity will be highlighted at TPA Advisory Board meetings. If Working Group outputs require escalation or may be perceived as being contentious in nature, these will be raised to the TPA Advisory Board for review and guidance.

The success of the working group will be reviewed on an annual basis by the TPA’s Advisory Board, who will choose whether to continue the project or close the project.

## Risks and Uncertainties

These are the risks that may arise from events that would jeopardise the Working Group achieving its objectives. Risks may impact on time, cost, or quality of outcome. It is also important to plan what mitigating actions can be taken to lessen the risk.

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| --- | --- | --- | --- |
| Risk &  Description | Likelihood  (1-5) 1 | Impact  (1-5) 2 | Initial Mitigating Actions |
| Low merchant engagement | 2 | 4 | Build early merchant champions, and offer tangible value through insights and advocacy |
| Scope creep | 4 | 3 | Focus on a small number of high-impact, deliverable activities; review scope quarterly |
| Overlap with regulatory or industry initiatives | 2 | 4 | Monitor and coordinate with existing initiatives via stakeholder engagement – create a list of relevant stakeholders and their initiatives |
| Funding gaps | 4 | 4 | Seek sponsorship from members, focus on low-cost outputs where needed  Cost-associated outputs will not be commissioned unless a minimum viable threshold for revenue has been achieved. |

Key:

* Likelihood 1: Score 1 = Rare and 5 = Almost Certain
* Impact on time 2: Cost and quality of project deliverables: 1 = Insignificant and 5 = Catastrophic