

Payment Services Directive Two (PSD2)

New regulation requiring banks to make their payment systems and customer data available to third-party organisations will create significant opportunity to FinTech and other challenger companies, and pose a threat to banks' payment-based revenue.

Is your organisation's human resources strategy prepared for PSD2?

The second Payment Services Directive (PSD2) is due to enter EU regulation in early 2018, and the UK is currently assessing its policy.

Over the past year, we have increasingly seen FinTech and FTSE250 clients broaden their core businesses to move into the financial services space, as the traditional boundaries between banking, retail and tech capabilities are moving. The directive is set to make the transitions more straightforward.

Banks are expecting a hit to their payment-based businesses, and many are pursuing innovative new programmes to mitigate against the potential losses.

From a resourcing and recruitment perspective, the regulatory changes are resulting in unprecedented opportunities, both in the banking sector and within growing FinTech and other new entrants to the payments systems market.

In a diversifying workforce, some of the flexibility and less formally structured operational structure pioneered by tech giants has proven lucrative. As end-user expectations evolve, so must service providers' deliverables.

The two sides of the coin

Smaller and less established new-entrant organisations are adopting these techniques to attract high performing candidates, though they are often unable to offer compete with the compensation packages offered by banks.

For companies with an evolving infrastructure, an executive search partner that has measurable experience across sectors is invaluable. Appropriately structured compensation and benefits packages, and an inside understanding of competitor operations are fundamental, both to building a credible challenger business and to protecting a threatened market share.

Barrington Hibbert Associates specialises in cross-sector executive search, with high-profile clients in financial services and across a number of industries.

BHA's data and research can focus your business's human resources strategy to accommodate the changes, with detailed understanding of compensation comparators, constructing efficient teams, and integrating and retaining talent.

Finding the right candidate for an evolving role is only the first step; BHA's Advisory products are tailored to each organisation, providing strategic human resource programmes in talent retention, with a focus on diversity, innovation and expanding new business areas with existing, core capabilities.

PSD2 need to know:

- January 2018 - EU member states to adopt the revisions to the 2009 PSD into their legislature. European banks will be required to share their data.
- The UK Government/HM Treasury has begun a consultation period, assessing how the UK will implement changes.
- Banks and payment services providers, including new-entrant FinTechs and other organisations including retailers and tech companies, can have equal access to client data. These third-party organisations fall into two categories:
 - Account Information Service Providers (AISPs)
 - Payment Initiation Service Providers (PISPs)