



QUICK START GUIDE FOR NEW CARD PROGRAMMES IN THE UK



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Launching a new payments card programme can appear to be a daunting, but ultimately rewarding endeavor.

This quick start guide provides an overview of what is necessary to get started: an overview of the cards market landscape, value chain, operating models, regulatory environment, keys to success, and an implementation roadmap.

Although there are many decisions to be made when launching a new programme, there are many good reasons to do so. For financial services companies, cards programmes can either be a core product with direct revenue generation (e.g., to access a current account, or to extend credit), or a means to expand the product catalog and provide a valuable service to existing customers (e.g., marketing expense management cards to small merchants). For non-financial services companies, card programmes provide utility for broader initiatives (e.g. a payment card wallet in an app), can facilitate loyalty programmes based on personalised customer-specific spending data, or increase customer purchasing power via provision of credit.

Regardless of the motivations, launching a card programme taps into the large and growing market for electronic payments. There were an estimated 179 million cards in the UK in 2024, and over GBP 1.2 trillion transacted on cards. Although the UK is a relatively mature market, cards continue to gain share over cash, as illustrated by declining average transaction amounts in Figure 1 below, thereby helping to power a 4% growth rate. Cards are a major spending vehicle in the UK, with an average projected spending of over GBP 7,100 per card per annum in 2026.

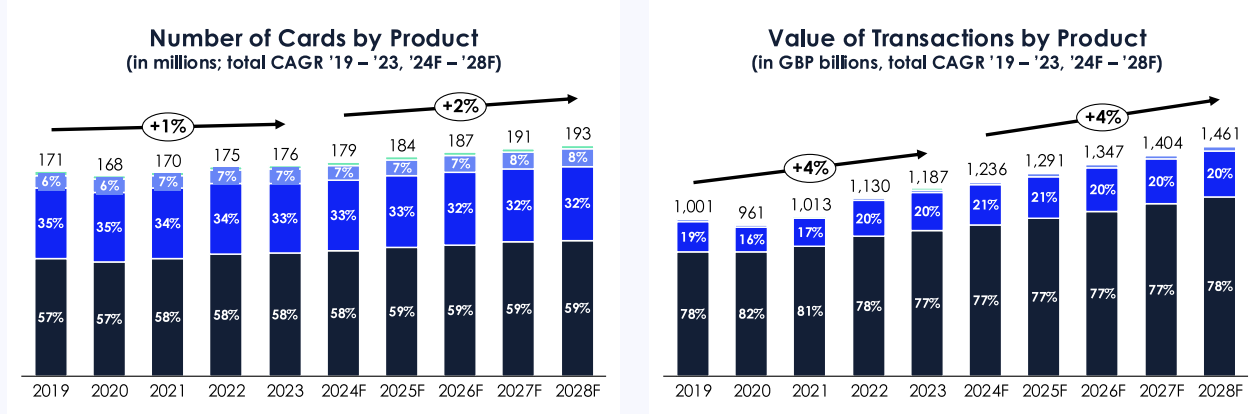
1. Understanding the UK Payment Card Market

To run a successful payment card programme, it is essential to have a comprehensive understanding of the market in which the programme will launch. The overview below provides insight into the UK card landscape, highlighting the key product types, transaction volumes, and overall market size.

Understanding the total addressable market (TAM), the scale of transactions taking place, and the projected growth across each card segment is critical. These insights not only reveal the market's potential but also help identify the most promising opportunities for expansion and prioritise where to focus your launch strategy.

United Kingdom: Market Sizing and Growth

Commercial Credit* Prepaid Consumer Credit* Debit



	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Number of Transactions (billions)	27	24	28	33	35	36	38	39	41	42
Average No. of Transactions Per Card	129	121	131	146	154	160	164	168	172	176
Average Transaction Amount (GBP)	47	46	43	42	40	40	39	39	39	39
Average Value of Transaction per Card (GBP)	5,839	5,734	5,944	6,445	6,740	6,896	7,034	7,188	7,364	7,557

Figure 1: UK Market Size & Growth

Note: *Consumer and Commercial credit cards contain credit and charge cards

Sources: Global Data, Flagship Advisory Partners analysis

Debit cards account for the majority of the number of cards and transaction volumes in the UK, with over GBP 9,100 in volume per card per year. This dominance underscores the importance of debit as the baseline product in any card portfolio. Credit cards are a meaningful part of the market, with nearly 60 million cards projected to be in circulation in 2026. This scale highlights their continued relevance for consumer credit and loyalty strategies. Prepaid cards are a significantly smaller share of the market. However, their role in loyalty and alternative payment models makes them strategically valuable despite lower market share. The smallest market segment, commercial cards, is significantly outpacing the others on growth, with a projected growth rate in volumes of 8% and high spend per card of nearly GBP 7,300 (see Figure 2 below). This suggests commercial cards are an untapped growth lever that providers could prioritise.

2. Examining the Growth, Size and Value Chains of the UK Card Market

Both the size of a market and the potential for growth are key aspects of any business endeavour and can heavily impact the viability of a card payment programme. With that in mind, below are some growth statistics from the UK market, a short explanation of the different factors to think about when considering entering the payment card market, a breakdown of the different types of strategic partners that can help with a launch, and an outline of the card issuing value chain.

United Kingdom: Product size and Growth



Figure 2: UK Product Size & Growth

Note: *Consumer and Commercial Cards contain credit and charge cards

Sources: Global Data, Flagship Advisory Partners analysis

Penetrating the large and growing cards market may seem daunting at first, since cards are a complex product, involving a range of value chain functions, as outlined in Figure 3 below. Creating a cards programme ultimately requires a mix of regulatory and compliance functions, technical processing systems, technical integrations with a variety of third parties, physical production and personalisation of plastic cards, and a variety of back office and customer services that require people. Assembling these components in a way that is compliant, cost effective, scalable, and provides a strong customer experience requires a mix of strong interdisciplinary skills (e.g., technical project management and delivery) and also subject matter expertise in cards.

However, the cards industry has well-established operating models to make launching a new card programme in a relatively streamlined manner in which much of the lift is executed by a series of strategic partners, rather than having to be built in-house from the ground up. As described in Figure 3 and Figure 4 below, the major types of partners are:

1 A Technical Processor

(such as Paymentology) that provides technical connections to the card schemes (Visa, Mastercard, and others) to authorise and settle transactions, a system of record that maintains a database of card records and attributes, a ledger (or some clients choose to supply their own ledger), and a full suite of value-added services (e.g., tokenization for use in Apple Pay/Google Pay, additional authentication for e-commerce transactions, etc.);

2 A Licence Sponsor

which in the case that the client operating the programme does not have its own regulatory or card scheme licence, will extend its own licence for use by the client's programme; with certain rules and procedures to ensure that the programme remains fully compliant with relevant regulations and card scheme rules.

3 A Programme Manager

which acts as a "wrapper" that can either provide a bundled solution to the client (including technical processing and licence sponsorship) tie together, or act as an integration layer and manager of the client's other partners, and providing an a la carte menu of additional services (e.g., systems and people to adjudicate disputes, etc.).

By leveraging these strategic partners in a smart way, clients can launch new card programmes relatively quickly and with less effort, and therefore not get distracted with operational details, and rather focus on value-creation drivers: revenue model, distribution, customer experience, etc.

Card Issuing Value Chain: Building a successful card programme requires clear decisions regarding how to perform the broad range of functions required.

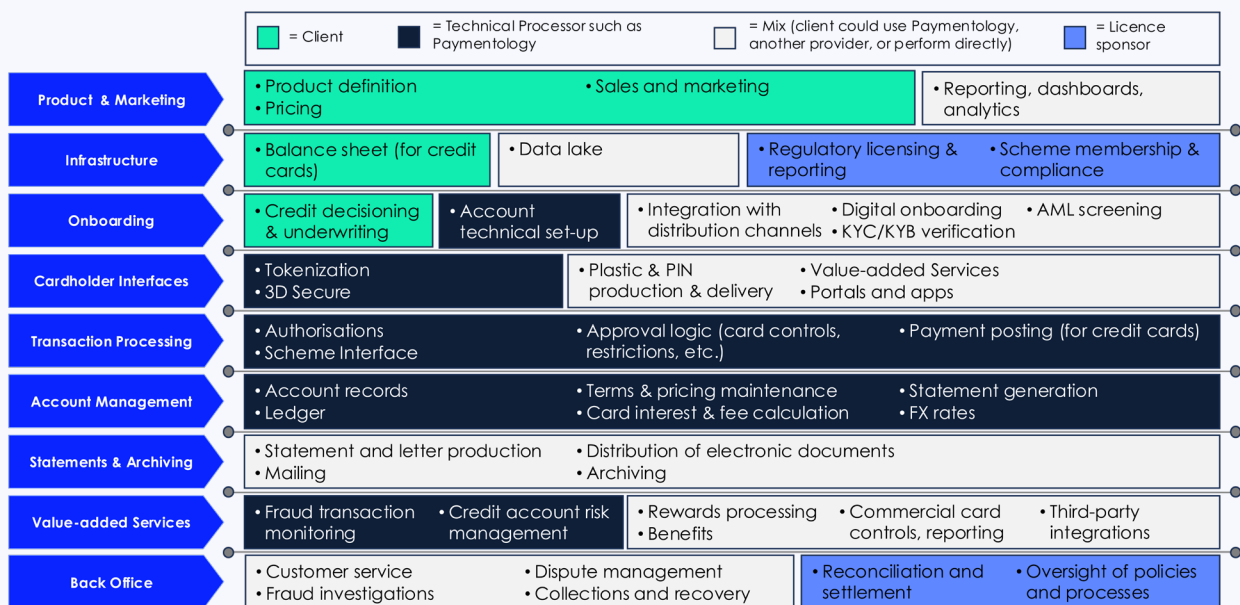


Figure 3: Card Issuing Value Chain
Source: Flagship Advisory Partners

3. Deciphering the Roles and Regulatory Principles Within the Card Ecosystem

When building a payment card programme, compliance must be considered a core component from the outset, particularly when competing with large, established financial institutions. Achieving this requires collaboration within an ecosystem of partners who each play a critical role in the payment value chain. These partners are essential to ensuring a smooth, compliant, and efficient end-to-end card issuing process.

This section outlines the key stakeholders you will work with, their respective roles, and the specific functions they perform to enable a seamless programme. Like most industries, the card payments space relies on the interaction of multiple parties, forming a diverse and complex ecosystem. The following diagram illustrates the roles of each participant and provides a concise overview of the global regulatory landscape that governs them.

Ecosystem Roles: Clients can choose whether to manage providers directly, or use a Programme Manager.

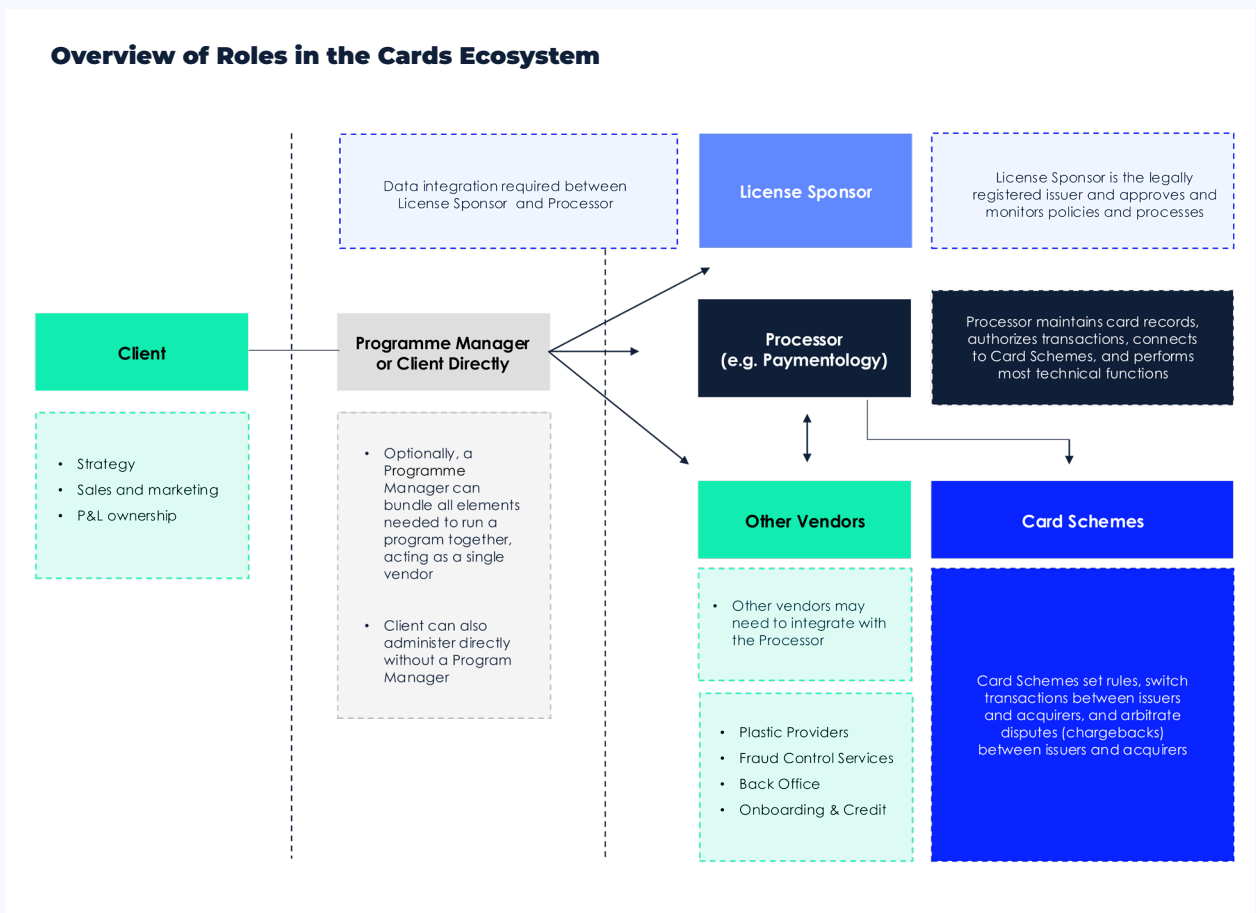


Figure 4: Overview of Roles in the Card Ecosystem

Source: Flagship Advisory Partners

Many new to the world of cards are wary of regulations and compliance. There are indeed a variety of regulatory and compliance items, ranging from a formal licence from the relevant regulatory body to compliance with card scheme rules. For example, in the UK, a bank must have a licence from the Bank of England's Prudential Regulation Authority and consent from the Financial Conduct Authority in order to operate. Many of these can be categorised into three main areas, as shown in Figure 5 below: preventing financial crime, ensuring adequate consumer protections, and ensuring that data is private and secure. Regulatory compliance is a critical function, and is effort intensive. However, the smart use of partners can be applied to reduce the burden on the client programme to a reasonable level.

The burden of regulatory compliance can be significantly reduced through the smart use of partners. In particular, licence sponsors play a critical role by extending their regulatory and scheme coverage to the programme under a defined framework. They not only ensure the programme operates within the rules, but also provide ongoing oversight and support to help maintain compliance.

Regulatory Principles:

Card programmes globally operate under similar regulatory principles

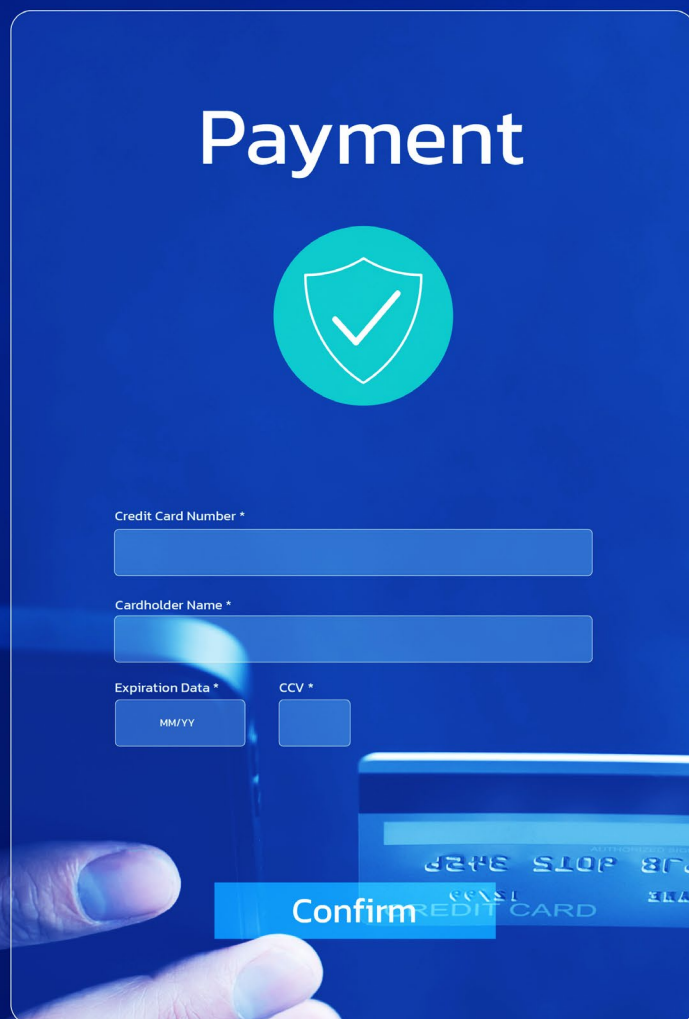
Key to success: defining Licence Sponsor expectations early, since sponsor attitudes and ways of working vary		
Programmes are responsible for three categories of regulation	Regulatory Management by Party	
	Programme Duties	Licence Sponsor Duties
Financial Crime <ul style="list-style-type: none"> • KYC/KYB (know your customer) • AML (anti-money laundering) • Transaction Monitoring • Sanctions Screening 	<ul style="list-style-type: none"> • Write KYC/KYB policy & implement customer identification • Support KYC/KYB verification with customer identity • Supply sponsor documentation of known fraudulent accounts/customers 	<ul style="list-style-type: none"> • Approve KYC/KYB policy & implement customer identification • Monitor transactions for money laundering/fraud/criminal activity • Screen new customers against sanctions lists • Develop regulatory reporting
Consumer Protection <ul style="list-style-type: none"> • Pricing/Fee Transparency • Customer Funds Safeguarding • Dispute Resolution • Fair Marketing 	<ul style="list-style-type: none"> • Prepare pricing & fee disclosures • Provide customers contact information for dispute resolution • Direct customers toward cardmember services when needed • Ensure all marketing aligns with card programme marketing 	<ul style="list-style-type: none"> • Ensure pricing & fees are compliant • Develop and implement best practices for consumer funds protection • Manage dispute resolution process against regulatory timelines
Data Privacy/Security <ul style="list-style-type: none"> • Transparent Data Usage • Customer Consent Collection • Responsible Data Storage • Security Threat Detection 	<ul style="list-style-type: none"> • Receive customer consent/provide disclosure before sharing data with sponsor 	<ul style="list-style-type: none"> • Request customer consent for data collection & usage • Implement best practices on PCI data storage • Monitor for cybersecurity breaches • Ensure business continuity and data security during natural disasters or unforeseen events

Figure 5: Overview of Standard Regulatory Principles

Sources: Flagship Advisory Partners

Meanwhile, the card programme itself typically handles operational responsibilities, such as collecting customer documentation and executing onboarding processes, under the sponsor's supervision. These roles are contractually defined, but setting expectations early in the partnership is crucial to ensure clarity and alignment. For those clients that do not wish to perform these compliance functions themselves, a programme manager will typically offer an option to perform compliance functions on behalf of the client.

Beyond compliance, one of the most strategic decisions a new issuer faces is how much control it wants to retain. Operating models vary widely, ranging from fully in-house approaches favoured by large institutions with the resources to manage everything internally, to models that outsource specific components or the majority of the programme



The image shows a digital payment confirmation interface overlaid on a photograph of hands holding a credit card. The interface is a dark blue rounded rectangle with the word "Payment" in white at the top. Below the title is a teal circular icon containing a white shield with a checkmark. The form includes several input fields: "Credit Card Number *" with a long blue box; "Cardholder Name *" with a long blue box; "Expiration Date *" with a small blue box containing "MM/YY"; and "CCV *" with a small blue box. At the bottom of the form is a blue button labeled "Confirm". The background image shows a person's hands holding a credit card, with the card's details like "CVV", "1534 2918 9429 4521", and "RREDIT CARD" visible.

4. Exploring European Operating Models

Europe's payment card market is shaped by several distinct approaches to card issuing, each of them balancing control, efficiency, and regulatory responsibility in different ways, while also determining how each party structures their participation in the market. This section examines how these approaches operate within the European regulatory and competitive landscape.

Europe Operating Models: Assessing the desired level of control, ownership, and resulting complexity is key to selecting a card issuing operating model

	Full In-house Model	Technical Processing Model	Programme Management Model	Co-Branded Model
Types of Card Issuing Solutions	<ul style="list-style-type: none"> Full control of Issuing, processing, and value added services in-house Ownership of entire programme & P&L Partnerships can be leveraged to address VAS not built in-house 	<ul style="list-style-type: none"> High-level of control (and operational responsibility) without distraction from management of highly specialised core tech 	<ul style="list-style-type: none"> Lower operational control, but full control over product, sales, marketing 	<ul style="list-style-type: none"> Brand and sales only
	<ul style="list-style-type: none"> All/most services are performed in-house, with some use of vendors for discrete operational components and value-added services Technical processing platform is run in-house Model is typical only for the very largest banks and fintechs who have meaningful scale, as the burden of building and maintaining an in-house technical platform is high 	<ul style="list-style-type: none"> Client manages card product but outsources core technical processing (the most complex component to build and manage in-house) Other capabilities procured from processor, best of breed VAS providers, or done in-house Client can use own licence (therefore requires full compliance capabilities), or be sponsored by a partner Model offers a flexible balance between control, and required investment Most banks and scaled fintechs use this model, as they see low value in literally running technical processing in-house 	<ul style="list-style-type: none"> Client uses a Programme Manager that bundles most of the required components for a card programme into a single service Programme Manager orchestrates licence sponsor, processor, and VAS, or performs it directly Typically faster speed to market and more efficiency for smaller fintechs, SaaS, and corporates whose primary focus isn't payments Lower operational burden for the client, but more expensive, than the Technical Processing Model 	<ul style="list-style-type: none"> Everything owned by partner bank (P&L, credit risk, operations, etc.) Client offers branding, markets the card to its customers, and typically provides a loyalty/rewards proposition Cardholder contractual relationship is with the issuer (typically a bank) but data sharing and marketing rights often negotiated by the brand partner Popular for clients with no risk tolerance, no development capabilities, and no payments industry experience
Regional Examples	<p>Only viable at very large scale, or if programme has extremely unique functionality requirements</p> 	<p>Model used by most large issuers</p> 	<p>Used by smaller fintechs, or if payments is not a core focus (e.g., SaaS companies, corporates)</p> 	<p>Common for brands that want to market a credit card for loyalty purposes</p> 

Figure 6: Europe Regional Operating Models

As shown in Figure 6, options include technical processing models, where only core infrastructure for technical processing is outsourced, as well as programme management models, which bundle processing, compliance, and customer support under a single partner. At the far end of the spectrum, co-branded models allow corporates and brands to focus solely on customer acquisition and marketing, with a partner handling all other activities.

Most banks and large fintechs opt to outsource processing, striking a balance between control and operational efficiency. This approach reduces the need to invest in proprietary infrastructure while still allowing flexibility to tailor the customer experience. In contrast, non-financial brands entering the space often prefer a co-branded model, where their involvement is limited to brand positioning and go-to-market execution, minimising regulatory complexity.

While regulatory structures across Europe are broadly aligned, requiring a banking, EMI, or PI licence depending on the product scope, each country retains its own market characteristics. For instance, the UK card issuing landscape is dominated by a few large banks across both debit and credit cards, as shown in Figure 7. This concentration has implications for competitive positioning and partner selection.

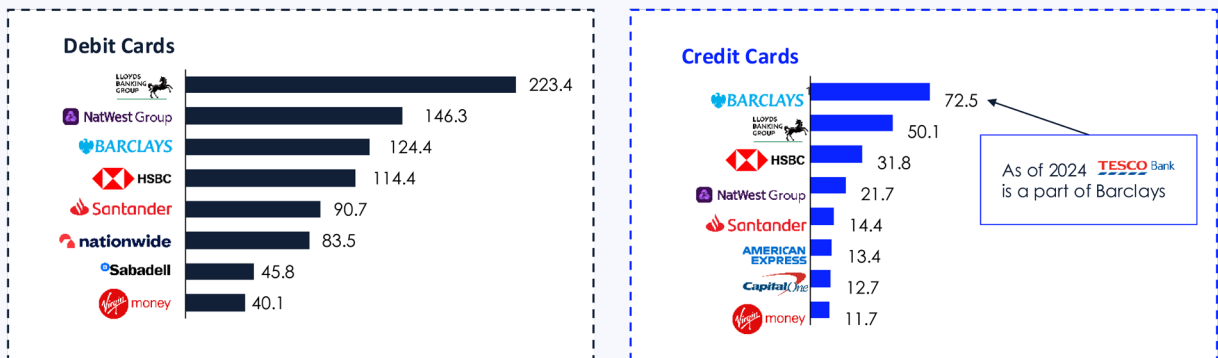


5. Identifying the UK's Top Issuers and Local Payment Infrastructure

The UK card issuing landscape is defined by a mixture of global scheme reliance and unique local infrastructure features that shape how issuers operate. Understanding these dynamics is essential for designing an effective market entry. This section highlights the key issuers, infrastructure components, and practical considerations involved in launching a card programme in the UK

UNITED KINGDOM: Top Issuers

United Kingdom Top Issuers (Value of Transactions; in bil. GBP; 2023)



UNITED KINGDOM: Local Ecosystem

United Kingdom Local Specificities

Local Requirements	Required (Yes/No)	Flagship Commentary
On-soil Data Processing Requirements	No	While the UK GDPR regulates cross-border transfers of personal data, it doesn't mandate on-soil processing .
Local Debit Switch Connection	No	There is no local debit switch and most debit card transactions are processed through international card schemes like Visa and Mastercard
Local ATM Switch		LINK is the national ATM network in the UK, participation is not mandatory • +40K ATMs, issuing £1.6B in cash /week.
Local Card Scheme	No	UK banks issue cards via international schemes such as Visa and Mastercard.

Licensing Framework



Key Licensing Capabilities:

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Issuing payment products Hold deposits Lend against deposits | <ul style="list-style-type: none"> Issuing payment products Hold fund tied to payment instrument Lend against deposits | <ul style="list-style-type: none"> Issuing all payment products Hold funds short term (for transactions only) Lend against deposits |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Figure 7: UK Local Specificities

Note: ¹Barclays credit card data contains Tesco Bank volume as well

Sources: Global Data, LINK Flagship Advisory Partners research & analysis

Local infrastructure and scheme participation can vary significantly by country. The UK, for example, does not operate a local debit switch and relies entirely on international schemes such as Visa and Mastercard for card issuing. LINK serves as the national ATM network, but participation is not mandatory. These local specificities, ranging from data processing expectations to scheme integration, must be factored into any market entry plan. Here again, a knowledgeable sponsor can provide invaluable guidance.

Bringing a card programme to market requires a phased, structured approach that balances commercial design with operational execution. As outlined in Figure 8, the journey starts with defining a clear commercial strategy, including product selection, target customer profiles, and pricing. The next phase involves setting the operating model, selecting scheme and processing partners, and defining roles across the ecosystem. Once implementation begins, programme design, customer experience, and regulatory tools must be developed in parallel.



6. Checklist for Programme Development

Bringing a card programme to market, while a significant step, is only the beginning. Sustaining growth requires disciplined execution, proactive monitoring, and ongoing optimisation. Here, issuers will find the key actions, milestones, and performance measures needed to keep their programme compliant, efficient, and commercially competitive over time.

Programme Development: Checklist to Establish an Issuing Programme

Define Commercial Strategy

- 1 Define core business goals for offering cards
 - 2 Identify and profile target customers
 - 3 Select card types (debit, prepaid, credit, virtual)
 - 4 Set pricing strategy to market
-

Decide Operating Model

- 5 Decide on licensing model (obtain own licence, contract directly with a sponsor, or use a programme manager)
 - 6 Select a card scheme (Visa, Mastercard, etc.)
 - 7 Choose an issuing processor or platform provider to handle value-added services and transaction flows
 - 8 Clarify partner roles (who handles risk, compliance, disputes, fraud, and customer support)
-

Implementation

- 9 Design card features (rewards, loyalty, cashback, insurance, travel perks or spend controls)
 - 10 Identify compliance support tools/relationships needed
 - 11 Design an end-to-end customer journey
 - 12 Plan seamless integration into payments ecosystem
-

Continuing Measurement & Improvement

- 13 Ensure overall legal, regulatory, and data privacy readiness for target countries and regions
 - 14 Plan a controlled pilot launch
 - 15 Scale programme across new markets and refine features
-

Figure 8 Programme Development Checklist

Continuous monitoring and refinement are just as important as launch readiness. Figure 9 illustrates a typical 12-month roadmap, with phases including pilot launch, scaling, and ongoing optimisation. Post-launch, programmes must maintain oversight of compliance and profitability to identify areas for enhancement.

7. Roadmap for Programme Development

Building on the development checklist, the development roadmap provides a structured view of how a card programme evolves from concept to scale. Issuers can use the following guidance to understand and implement the key phases and success factors that drive top-performing card programmes.

Programme Development: Roadmap

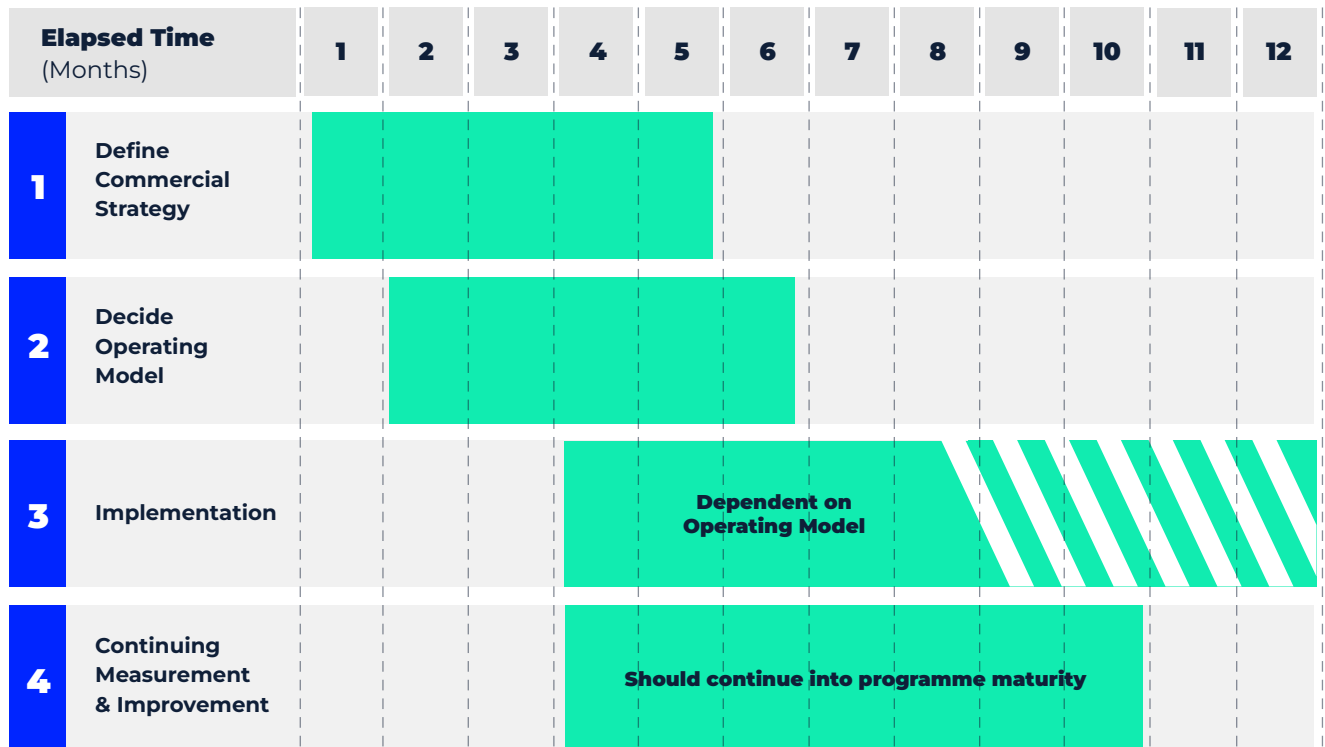


Figure 9: Programme Development Roadmap

Ultimately, successful card programmes share a common set of characteristics: a clearly defined vision, a realistic delivery plan, and disciplined execution. As shown in Figure 10, programmes that apply agile principles, invest in user experience, and maintain strong internal alignment tend to scale more effectively. They also prioritise governance, ensuring roles and responsibilities are well understood across both internal teams and external partners.



8. Best Practices for Programme

Having outlined the roadmap and checklist for programme development, it is equally important to understand the practices that underpin long-term success. Effective programmes go beyond execution, embedding agility, user-centric design, and strong governance into their operating culture. This section highlights the best practices that enable card programmes to scale efficiently and maintain sustained performance.

Programme Development: Best Practices & Pitfalls to Avoid

Best Practices

Clearly defining the strategy for the programme (purpose, vision, business case, roadmap, etc.)

Doing the required homework to understand what it takes to enable the vision and execute on the roadmap

Allocating effort to business growth and revenue drivers
(differentiated product with clear key selling points, good marketing, targeted sales, good user experience, etc.)

Choosing the right operating model for your particular situation (needs, appetite for complexity, etc.)

Being realistic about your ability to meet the target operating model (can we actually do everything we want to do?)

Using agile principles to get to an MVP, then having a clear plan to develop and scale

Applying tried and true project management principles:
Have a clear plan, clear ownership, well defined roles and responsibilities, good governance, track progress diligently, etc.

Pitfalls to Avoid

Too much focus on technical and operational items before establishing a clear strategy, value proposition, etc.

Improper balance of insourcing and outsourcing

Contracting with partners before fully understanding who will do what, and defining clear expectations around services provided

Under-investing in subject matter expertise, particularly around regulatory, compliance, fraud, and risk

Not getting clear alignment of internal stakeholders, resulting in slow decision making

Poor project management

Figure 10: Programme Development Best Practices and Pitfalls

Conversely, there are well-documented pitfalls that can slow progress or increase costs. These include premature focus on technical implementation without a clear product strategy, lack of clarity in outsourcing arrangements, and underinvestment in subject matter expertise, particularly around fraud, compliance, and regulatory risk. Weak stakeholder alignment and poor project management can further undermine timelines and delivery outcomes.

Avoiding these common missteps, and anchoring the programme around a solid strategic foundation, is essential to achieving a successful and scalable card issuing proposition.

9. Five Key Takeaways

The insights outlined throughout this guide highlight the unique dynamics of the UK card market and the practical considerations for successful programme delivery. The following five key takeaways summarise the most important lessons for issuers entering or expanding within the UK.

1

The UK Payment Card Market is Large and Continues to Grow

The UK has around 179 million cards in circulation, with annual transaction volumes exceeding GBP 1.2 trillion.

2

Strategic Partnerships Streamline Market Entry

Launching a card programme requires navigating a complex value chain of regulatory, technical, and operational functions. To simplify execution, issuers typically rely on partners.

3

Regulatory Compliance is Strict but Manageable

Operating within UK and EU frameworks requires strict adherence. While the burden is heavy, leveraging licence sponsors and programme managers can reduce overall complexity.

4

Market Structure and Local Specificities Significantly Shape Strategy

The UK card issuing market is highly concentrated, with a small number of large, dominant banks and no domestic debit switch. These local market characteristics mean issuers must carefully design their operating model and partnership approach to ensure effectiveness in a mature, competitive environment.

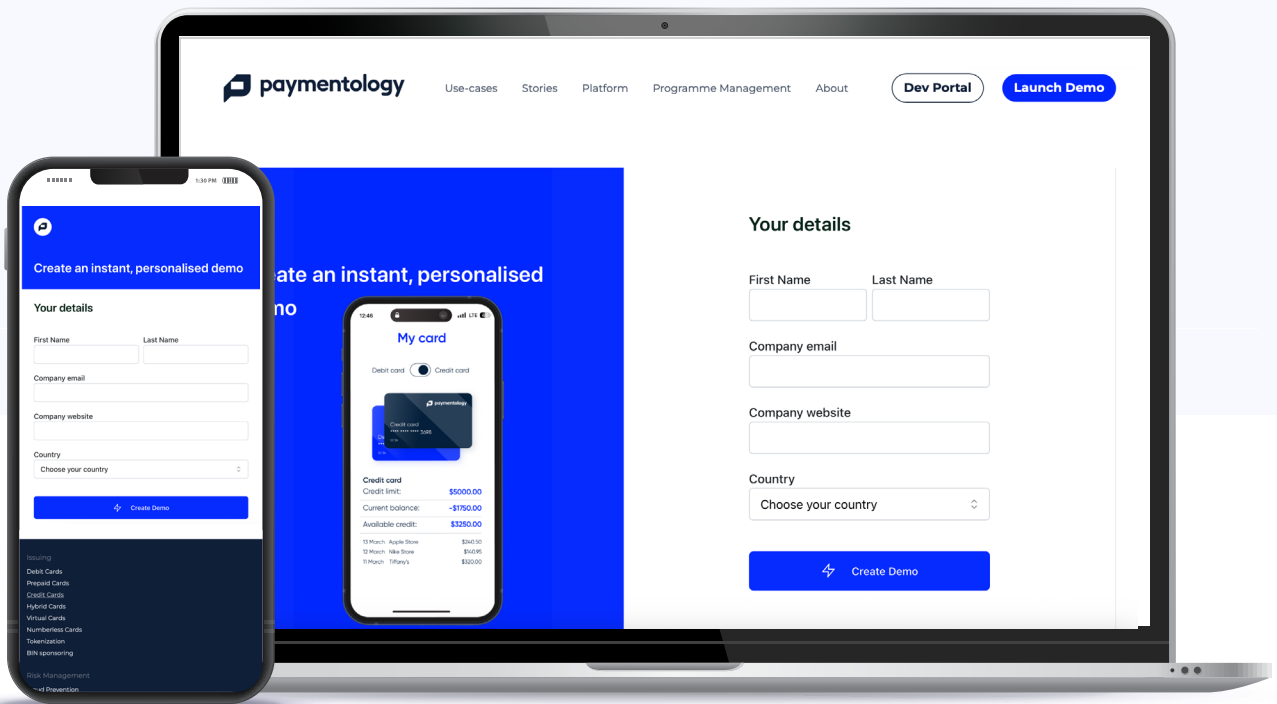
5

Success Depends on Strategy, Execution, and Governance

A phased roadmap, from defining a commercial strategy, to piloting, scaling, and continuous optimisation, is recommended.

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About This Report



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The company drives greater customer choice and value through easy-to-use, integrated platforms and services that help clients to disrupt the status quo, accelerate time to market, and achieve growth. With a superior multi-cloud platform offering a vast global footprint, and enhanced real-time data, Paymentology distinguishes itself as a leader in the payments industry. Its team of payments experts, with deep local market knowledge, operates across 60 countries and 14 time zones, providing 24/7 support. Paymentology is deeply committed to expanding financial inclusion globally, changing lives and positively impacting the communities in which it operates.

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