

Payment services in the internal market

2023/0210(COD) - 23/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 511 votes to 22, with 75 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on payment services in the internal market and amending Regulation (EU) No 1093/2010.

The proposed Regulation lays down uniform requirements on the provision of payment services and electronic money services, as regards: (a) the transparency of conditions and information requirements for payment services and electronic money services; (b) the respective rights and obligations of payment and electronic money service users, and of payment and electronic money service providers in relation to the provision of payment services and electronic money services.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

Currency and currency conversion

Where a currency conversion service is offered prior to the initiation of the payment transaction and where that currency conversion service is offered at an ATM, at the point of sale or by the payee, the party offering the currency conversion service to the payer should disclose to the payer all charges and the exchange rate to be used for converting the payment transaction. Information on charges and the exchange rate should be provided in a **prominent and transparent manner** prior to authorisation of the payment transaction by the payer.

Where, for the use of a given payment instrument, the payee requests a charge or offers a reduction, the payee should inform the payer thereof prior to the initiation of the payment transaction, in a clear, transparent and accessible format.

Natural or legal persons providing cash withdrawal services should provide in a transparent, distinguishable and understandable way to their customers information on any charges, including the exchange rate and any mark-up over the latest available applicable foreign exchange rate issued by the relevant central bank, directly at the initiation of the process of withdrawal as well as upon receipt of the cash when the transaction is completed

The Regulation provides for a derogation from the information requirements for low-value payment instruments and electronic money (payment transactions with a unit amount not exceeding EUR 50 or with a spending limit of EUR 250).

Rights and obligations in relation to the provision and use of payment services

When an operator of an automatic teller machine (ATM) is authorised as a credit institution or payment service provider in the Union, and provides cash withdrawal services, that operator should provide or make available **information about any fixed fee applicable at the initiation of the withdrawal process**, specifically at or before the moment the user's card is inserted into, or tapped against, the ATM. Any such fixed fee should be displayed in monetary value and ensure that the user is informed in a transparent, distinguishable and understandable way of any fixed fees charged by that ATM operator for the cash withdrawal, regardless of the provenance of the ATM card used.

The payment service provider should not prevent the payee from offering the payer a reduction or otherwise steering the payer towards the use of a given payment instrument.

Provision by credit institutions of payment accounts to payment institutions

A credit institution should only refuse to open or should only close a payment account for a payment institution for its agents or distributors or for an applicant for a license as a payment institution in cases where it is justified on objective, **non-discriminatory and proportionate grounds**.

Where a credit institution decides to close a payment account in accordance with this paragraph, the account closure should take effect upon the expiry of a notice period which should not be less than four months, unless the payment account is closed due to fraud-related reasons or reasons connected to illegal activities.

Addressing location-based payment account identifier discrimination

Where a payer makes a credit transfer to a payee holding a payment account located within the Union, the payer should not be required to specify the Member State in which that payment account is located, provided that the payment account is reachable. Where a payee accepts a credit transfer or uses a direct debit to collect funds from a payer holding a payment account located within the Union, the payee should not be required to specify the Member State in which that payment account is located, provided that the payment account is reachable.

Limits and blocking of the use of the payment instrument

Where a specific payment instrument is used for the purposes of giving permission, the payer and the payer's payment service provider should offer to the payment service user the possibility of setting fair and proportionate spending limits for payment transactions executed through that payment instrument.

Payment service providers should block the payment instrument in the case of objectively justified risks relating to the security of the payment instrument, the suspicion of unauthorised or fraudulent use of the payment instrument. Where such blocking does not take place despite reasonable grounds for suspecting fraud, the payer should not bear any financial consequences, except where the payer has acted fraudulently.

Means of communication

In order for the payment service user to have an easier access to the payment service provider, the latter should create and serve a communication channel to enable the payment service user to make a notification or to request unblocking of the payment instrument as provided for in this Regulation. That channel should also make it possible for the payment service user to make a notification about a fraudulent transaction, to receive qualified advice when suspecting to be victim of a fraud attack and to notify problematic issues concerning conducted payments, such as errors of the payment machines during the payments.

Payment service provider's liability for unauthorised payment transactions

Where the payer's payment service provider had reasonable grounds for suspecting fraud committed by the payer, the payer's payment service provider should, within **14 business days** after noting or being notified of the transaction, do either of the following: (a) refund the payer the amount of the unauthorised payment transaction if the payer's payment service provider has concluded, after further investigation, that no fraud has been committed by the payer.

Awareness measures

Electronic communications service providers should have in place all necessary educational measures, including **alerts** to their customers via all appropriate means and media when new forms of online scams emerge, taking into account the needs of their most vulnerable groups of customers. They should give their customers clear indications as to how to **identify fraudulent attempts** and warn them as to the necessary actions and precautions to be taken to avoid falling victim to fraudulent actions targeting them.

Fair, reasonable and non-discriminatory access to mobile devices

Original equipment manufacturers of mobile devices and electronic communications service providers should not be prevented from taking strictly necessary and proportionate measures to ensure that interoperability does not compromise the integrity of the hardware and software features concerned by the interoperability obligation provided that such measures are duly justified.