Electronic means of payment in the single market

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OBJECTIVE: adoption by the European Commission of a recommendation to the Member States and issuers of electronic payment instruments with a view to establishing minimum rules for the relationship between the issuer and holder. SUBSTANCE: in order to take full advantage of the effects of the Single Market and Economic and Monetary Union, the Commission feels that individuals and businesses must be able to make payments under the same conditions in respect of rapidity, reliability and low cost throughout the Community. The new recommendation from the Commission, which is attached to the Communication, modernizes and updates Recommendation 88/590/EEC of 17 November 1988 concerning payment systems and in particular the relationship between card holder and card issuer. Its first objective is to establish certain minimum standards to ensure that users receive an appropriate level of information. This information should include, first of all, details of the conditions of contract governing the use of an electronic payment instrument, which must allow the consumer to make his or her choice in full knowledge of the facts, thus helping to consolidate competition in this area. Information must also be provided on transactions after they have been carried out. Secondly, to ensure transparency, the obligations and liabilities of the parties must be clearly set out. Minimum standards are laid down for this purpose. Finally, to facilitate access for consumers to simplified redress procedures, the recommendation calls on Member States to ensure that there are adequate and effective means for the settlement of disputes between holders and issuers. With a deadline of 31 December 1998, the Commission calls on: - issuers of electronic payment instruments to act in accordance with the provisions set out in the new recommendation; - Member States to ensure that there are adequate and effective means for the settlement of disputes between issuers and users, in accordance with the recommendation. The Commission will undertake a study of the implementation of the recommendation at the end of 1998; if it is not implemented satisfactorily, the Commission will propose a binding directive.