

Roadmap to PSD2

PSD2 aims to bring about increased competition, greater transparency and security across the European payments landscape. Our roadmap takes a look at the aims, authentication requirements and complaints timeframe.

Aims of PSD2

- Expand the scope of payments to include non-EEA currencies for intra-EEA payments and so-called 'One Leg Out' transactions (i.e. payments into and/or out of the EEA)
- Mandate the use of the SHA charging option for all intra-EEA payments, irrespective of currency
- Standardise complaint handling
- Set minimum standards for Strong Customer Authentication
- Allow new entrants into the market to act as Payment Initiation Service Providers (PISP) and Account Information Service Providers (AISP).

Increased Payment Scope

Effectively, we will have three categories of payments:

- Payments in EU/EEA member state currencies where both the sending and beneficiary banks are based in the EU/EEA
- Payments in non-EU/EEA member state currencies where both the sending and beneficiary banks are based in the EU/EEA
- Payments where either the sending bank or the beneficiary bank is based in the EU/EEA, irrespective of the currency.

Strong Customer Authentication

While the security protocols have not yet been agreed, they will consider the following authentication factors:



Knowledge

Something only the user knows – for example, a password



Possession

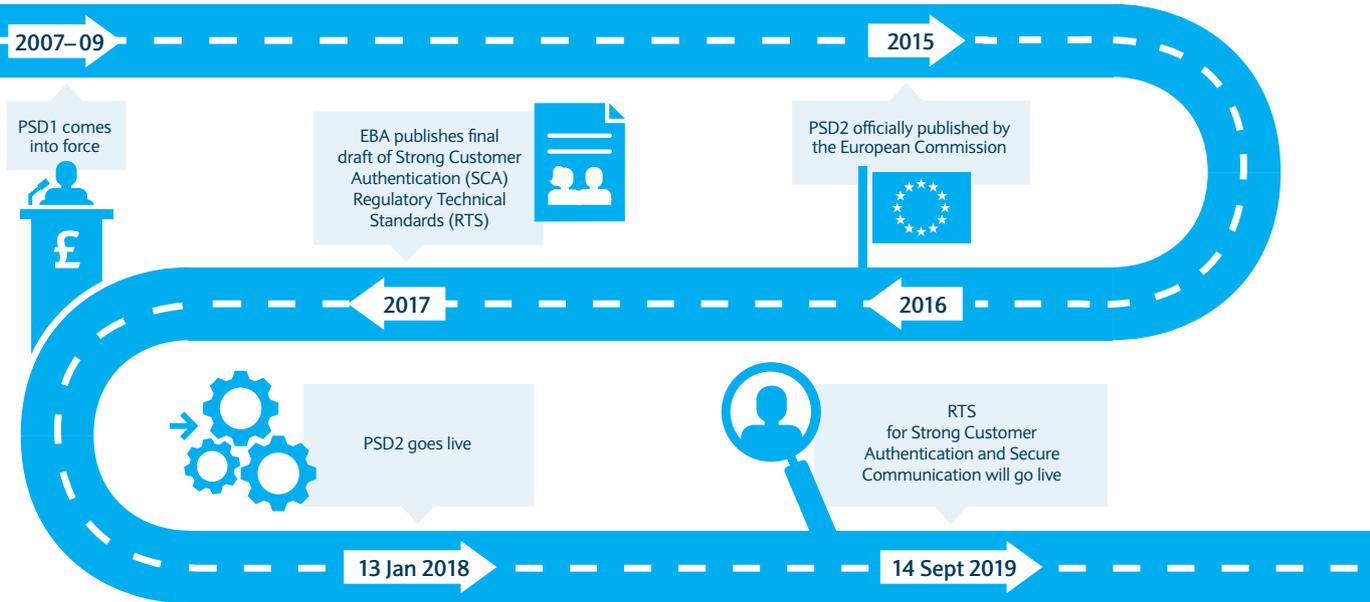
Something only the user possesses – for example, a smartcard



Inherence

Something only the user is – for example, a fingerprint

The requirement is to implement at least two of these factors when authorising payments.



Complaints

The complaints timeframe is now being standardised for PSD2-impacted products and services:

- Complaints related to PSD2 must now be dealt with within a maximum timeframe of 15 business days
- This may be extended to 35 business days where the Payment Service Provider cannot provide an answer due to reasons outside of its control.

Glossary

PSU – Payment Service Users

Customers that have bank accounts and the ability to make or receive payments.

ASPSP – Account Servicing Payment Service Providers

Banks that provide bank accounts and payment services to their customers.

TPP – Third-Party Providers

New entrants into the market that do not necessarily provide bank accounts. These third parties can act as AISP or PISP (or both).

AISP – Account Information Service Providers

Third parties that provide account-aggregation services to customers to allow them to have a consolidated view of their accounts held with multiple ASPSP.

PISP – Payment Initiation Service Providers

Third parties that provide payment services to customers from accounts held with ASPSP.