

Payment services: Council and Parliament agree to step up the fight against fraud and increase transparency

Today, the Council and the European Parliament reached a **provisional political agreement** to bolster the EU's legislation on **payment services**.

Today's agreement marks a major step in the fight against payment fraud in the EU. And by enhancing consumer protection, improving transparency, and fostering innovation, we are paving the way for a more secure, efficient, and consumer-friendly payment landscape for all Europeans.

Morten Bødskov, Danish Minister for Business, Industry and Financial Affairs

The aim of the new rules is to better fight payment fraud, boost transparency on fees, and increase consumer protection in the payment services sector. The upgrade will also help to promote technological innovation in this area.

Today's agreement creates a new **payment services regulation** and amends the **existing payment services directive (PSD2)** to create a modern framework for payments.

Tackling payment fraud and increasing consumer protection

The proposals aim to put in place a **comprehensive anti-fraud framework** that will help tackle increasingly common new forms of payment scams, such as **so-called "spoofing fraud"**. This occurs when fraudsters impersonate a customer's payment service provider (PSP) to gain trust and trick the user into carrying out fraudulent financial actions.

Among other provisions, payment service providers will have to **share fraud-related information between themselves**. Payment account **IBAN numbers will have to be checked** against a corresponding bank account name before any transfer can take place, as is already the case for instant payment transfers taking place in euro. To further protect consumers, payment service providers **will be held liable** should they not fulfill their obligations in terms of using some of the preventive tools.

Lastly, major online platforms and search engines may **advertise financial services to consumers** in a given member state only if the company providing those services is duly regulated and authorised within that member state.

Boosting transparency and improving access to cash

The new rules introduce more **transparency for ATM transactions**. Providers will be legally obliged to show the user **all fees due and exchange rates applied** before a transaction can take place.

Similarly, companies providing card payment facilities to merchants will have to make clear the fees they charge for their services. Overall, EU consumers and businesses will have a **much better overview of applicable fees** and will be able to make more informed choices.

Access to cash will be improved especially **for people in rural areas** who may not have easy access to an ATM. Under the new framework, **retailers will be able to offer cash withdrawals without a purchase** being made. To prevent abuse, such

withdrawals will require chip and PIN technology and will be subject to a maximum withdrawal limit of €150 or equivalent in national currency.

Finally, merchants must make sure that their **normal trading name matches the name that appears on customers' bank statements**. This will help consumers to easily recognise charges on their accounts and reduce confusion.

Technological innovation

The new framework will also help to adapt the EU's payment service landscape to new and innovative ways of making payments. Innovative service and information providers will be able to offer customers **more useful and more modern payment services** through improved access to bank account information.

Next steps

The Council and the European Parliament will continue working on the technical elements of the package before final adoption by the co-legislators.

- [Capital markets union explained \(background information\)](#)

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