

THE PAYMENT SERVICES DIRECTIVE

WHAT IT MEANS FOR CONSUMERS

The same rules all over Europe

Clearer information on payments

Faster payments

Better consumer protection

A wider choice of payment services

Where can I find out more?

You can find out more about the Payment Services Directive on the European Commission's website:

http://ec.europa.eu/internal_market/payments/framework/index_en.htm

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EU-wide rules to increase your rights

The EU's Payment Services Directive (PSD), which became EU law on 1 November 2009, ensures that the rules on electronic payments — e.g. paying by debit card or transferring money — are the same in 30 European countries (European Union, Iceland, Norway and Liechtenstein). This means that you will be able to make payments throughout Europe as easily and safely as in your home country.

The PSD details the information you should be given and makes payment quicker and safer. It also allows new 'payment institutions' (e.g. money remitters, retailers, and phone companies), to provide payment services alongside banks. Together, banks, payment institutions and other payment bodies are all referred to as 'payment service providers'.

The PSD covers all kinds of electronic and non-cash payments, ranging from credit transfers, direct debits, card payments (including credit card payments) and money remittance to mobile and online payments. It does not cover cash and cheque payments. Payments in any European currency (not only the euro) are covered as long as the payment service providers for both the payer and the payee are located in one of the 30 countries.

Clearer information on payments

The PSD makes payment information clearer in several ways:

- **By your payment service provider:** You must be given the key information you need before and after you make a payment.

Before you start to use the service, your payment service provider has to provide you with detailed terms and conditions, including information on the payment service provider, features of the payment service (such as the procedure for giving consent), the processing time, any spending limits, charges, and your refund rights. This makes it easier to compare terms and conditions and choose the best deal available to meet your needs.

You must be informed of any changes in these conditions, including changes to charges, at least two months in advance.

After each payment, you will be informed of the amount, date, and charges so that you can check that the payment was made correctly.

- **In shops:** You will also see more clearly how much you pay in payment charges in shops, including online shops. Retailers will be allowed to give you a discount if you pay for your purchases in a way that is cheaper for them (e.g. if you use debit or retailer cards). They may also be allowed to charge you for types of payment that cost them more (e.g. credit cards) if this option is not prohibited or restricted under national legislation.

Faster payments

The PSD obliges payment service providers to process payments within certain time limits clearly stated in advance. From 1 January 2012, when a payment order is received, the payment will have to be made by the end of the next day. Until then, payment service providers will have up to three days. The recipient will have immediate access to the funds.

Refund rights

The PSD also protects your rights in the event of unauthorised or incorrect debits from your accounts. You have three types of refund rights.

- **Unauthorised debits:** If you realise that an unauthorised debit has been made from your account, you have the right to an immediate refund as long as you notify your payment service provider as soon as possible, and no later than 13 months after the debit date.
- **Overcharging:** If you have authorised payment without stating the amount, e.g. through a direct debit or a card payment for hotel or car bookings, and the amount debited is not what you could reasonably have expected, you will be entitled to challenge it by contacting your payment service provider within eight weeks. The payment service provider will then have to reimburse you within ten days or justify its refusal.
- **Incorrect processing:** If you authorised the transaction but the payment service provider made a mistake in processing the payment, e.g. failed to pay, debited the wrong amount, paid late or paid twice, you will be allowed to challenge the error within 13 months and obtain proper rectification.

Increased competition

The PSD opens up the payment market, allowing companies other than banks (e.g. money remitters, retailers, and phone companies) to provide payment services. To protect your money, these new institutions will be regulated.

