

PSD2: the new regulatory framework for payment services in Europe.

JAN VERMEULEN
NATIONAL BANK OF BELGIUM



17 October 2017

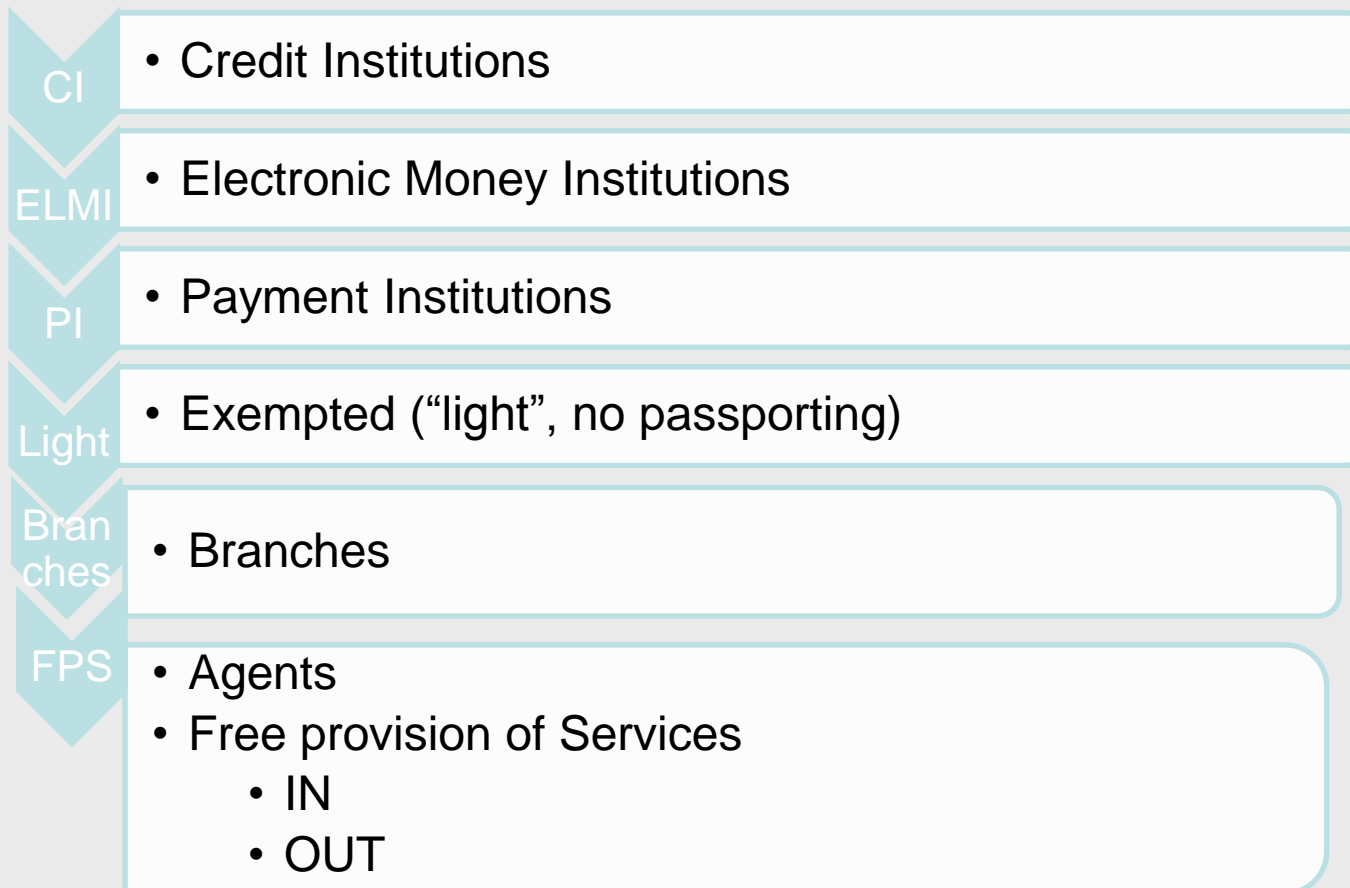
PSD1 Payment services: WHAT?

1. Deposit cash
2. Withdraw cash
3. Credit transfers, direct debit & card payments
4. Idem + granting credit
5. Issuing & acquiring
6. Money remittance
7. Payments via telco (disappears in PSD2)



Payment services: WHO?

Levels of prudential statutes



Payment Services Directive version 1

- ▶ New regulatory framework since 2007/2009 (EU/BE)
 - Now: 2 770 institutions
- ▶ Money remitters and other activities regulated
- ▶ No real competition with banks for traditional payment instruments
 - Few new C2B providers for credit transfers, direct debit & debit cards



Payment Services Directive version 2

- ▶ Why a new regulatory framework?
- ▶ PSD2 – Payment Service Directive
 - Experiences since 2007/2009 (Further regulatory convergence)
 - Facilitate innovation & fintech

- ▶ Extension scope
 - Payment Initiation Services
 - Account information services



PSD2: WHAT CHANGES?

1. Security measures increased
2. Consumer protection – Rights & Obligations
 - A. Prohibition of “surcharges” in relation Merchant – Consumer
 - B. Better protection against fraud
 - from 150 € to 50 € max, liability for payer in case of unauthorized transaction (except fraud or gross negligence)
 - C. Pre-authorisation (exact amount not known in advance)
 - D. “Unconditional” refund Direct Debit
 - E. Complaint procedure PSU

