



EUROPEAN CENTRAL BANK

EUROSYSTEM

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EURO RETAIL PAYMENTS BOARD

Statement following the fifteenth meeting of the Euro Retail Payments Board
held on 28 June 2021

Transparency for retail payments end users

In July 2020, the Euro Retail Payments Board (ERPB) decided to establish a working group on transparency for retail payments end users to make it easy to identify, from a consumer's payment account statement or online application, *to whom, where and when* a payment was made. After providing an interim report at the November 2020 ERPB meeting, the working group submitted its final report – in line with its mandate.

Based on a thorough analysis of use cases, user/consumer needs, the relevant transparency issues and the data needed to solve the issues, the report makes a number of recommendations to the relevant actors across the payment chain (payees, payees' PSPs, processing entities, payment schemes and payers' PSPs) in order to produce clear payment account statements for consumers within an overall timeline of a maximum of three years (i.e. by June 2024). These recommendations should be applied in all possible Consumer to Business (C2B) and Person to Person (P2P) use-cases where consumers make payments that are reported on a payment account statement, regardless of the payment instrument used and of the format of the statement (paper or electronic).

The recommendations focus on the accuracy of data elements that should always correspond to the payment transaction details related to:

- **to whom a payment was made.** The key recommendation is that the *commercial trade name* of the payee should be used all along the chain, as this is the name most easily recognised by the consumer. In certain cases, i.e. when intermediaries are involved in order to facilitate the transaction or process the payment, it is advisable to use the *commercial trade names* of both the payee and the intermediary/ies. Additional elements (such as keywords used to identify branches) may improve clarity for a payment statement item.
- **where a payment was made.** The payment account statement should indicate the *exact geographical location* where the transaction took place and not the location of the payee's head office or the location of the processing entity. In the case of online commerce, the commercial trade name displayed on the website or the commercial trade name of the payee's online platform should be mentioned.
- **when a payment was made.** The payment account statement should clearly indicate the *date and the time of the transaction* as known by the consumer.

In view of the anticipated impact on the payment industry (including changes to internal systems, standards, procedures and payers' and payees' interfaces), the working group suggests that in parallel to starting implementation, all payment chain participants addressed by the recommendations start analysing the steps required to implement the recommendations in parallel and develop an implementation plan.

The ERPB:

- took note of the report of the ERPB working group and welcomed the analysis conducted;
- endorsed the recommendations for follow-up work (see the annex to this statement);
- supported the suggested way forward which is for the relevant payment chain participants to immediately identify the steps required to implement the recommendations and to produce an impact assessment of the implementation of these recommendations. The outcome of this work, including a refined implementation timeline and implementation status of the recommendations, will be reported to the ERPB Secretariat in a meeting to be held in October 2021 as part of preparation for the November 2021 ERPB meeting, at which the final implementation target date will be confirmed.

Instant retail payments in euro

At the invitation of the ERPB, the European Payments Council (EPC) provided a status update on the implementation of the SEPA Instant Credit Transfer (SCT Inst) scheme, including an overview of the percentage of PSPs adhering to SCT Inst. According to this update, as of June 2021 there were 2,326 declared SCT Inst scheme participants (i.e. 59% of all SCT adherents in all SEPA countries). It was noted that PSPs that have already joined the scheme are generally those with the most significant payment volumes and represent the vast majority of payment accounts.

The EPC highlighted a number of implementation issues, in particular (i) the lack of interoperability between clearing and settlement mechanisms (in this regard the EPC welcomed the pan-European reachability measures for instant payments announced by the Eurosystem in July 2020); (ii) sanctions-screening obligations on the beneficiary bank – one of the main causes of the unsuccessful processing of cross-border SCT Inst transactions.

The EPC further updated the ERPB on the work carried out as a follow-up on the recommendations stemming from the November 2020 report on an interoperability framework for instant payments at the point-of-interaction (POI). In this regard, while public consultations are still to be carried out on some items and the analysis of the replies to the EBA Q&A questions is still pending, the MSG MSCT has completed its work on the following points:

- analysing the interoperability of additional flows and messages between the respective instant payments service providers in the case of unsuccessful/failed transactions;
- carrying out a further analysis of technical interoperability for models involving a payment initiation service provider (PISP) or a collector payment service provider (CPSP);
- developing use cases for instant payments at the POI where the consumer device has no internet connection at the time of transaction (offline use cases) and analysing their impact on interoperability.

In addition, the MSG MSCT has started to work jointly with the European Cards Stakeholders Group on the recommendation to develop standards, business and technical requirements as appropriate. This will lead to interoperable specifications that will support the consumer's selection of preferred payment instrument (card payment or SCT Inst) to conduct a payment transaction at the (physical or virtual) POI.

Following to the invitation it received in November 2020, the EPC informed the ERPB of the outcome of its analysis of the development of a pan-European label for instant payments at the POI. This was subsequent to the recommendation issued by the ERPB in November 2019 based on the report on instant payments at the POI (Recommendation A). The EPC Board concluded that it sees no compelling need to carry out further work

in this area considering the substantial efforts and costs such a generic label would imply and in light of the potential confusion and limited expected benefits it would bring.

Finally, following the November 2020 ERPB meeting, the ERPB Secretariat presented a proposal on launching a workstream on communication towards end users about instant payments, in order to address the current challenges concerning lack of awareness of instant payments.

The ERPB:

- took note of the EPC update on the implementation of and adherence to the SCT Inst scheme;
- took note of the work conducted by the MSG MSCT on the recommendations stemming from the November 2020 report on an interoperability framework for instant payments at the POI. Taking into consideration the progress of the work at MSG MSCT level, ongoing market developments and the fact that the feedback is yet to be received to the EBA Q&A tool, the ERPB will assess whether to conduct further work on the remaining elements of an interoperability framework during its November 2021 meeting. In the meantime, the ERPB has agreed to conduct further work on the development of a QR-code standard beyond what had already been set out in the report of the ERPB working group of November 2020, covering the requirements for such a standard as well as its governance and the process for future updates. In this regard, the EPC was invited to coordinate this work, involve relevant stakeholders and standardisation bodies, and report back to the ERPB's November 2021 meeting. This work could thereafter be broadened to other technologies such as NFC or BLE;
- took note of the EPC's further analysis of a pan-European label. Taking notably into account the perceived consumers' and merchants' needs for such a label, the ERPB supported that work on a label should be taken-up in the context of the possible resumption of work on the remaining elements of an interoperability framework for instant payments at the POI;
- recognised the important investments already undertaken by the supply side to implement instant payments and encouraged the remaining supply side participants to do the same, to ensure pan-European reach as soon as possible, and to support end user take-up, including by providing safe and efficient end user solutions at a competitive price with the capacity to achieve pan-European reach;
- agreed to consider whether to launch an ERPB workstream on end-user communication to raise awareness on instant payments in the context of the November 2021 ERPB meeting's discussion on the ERPB priorities going forward.

SEPA API Access Scheme

The ERPB had decided in its November 2020 meeting to resume this work at ERPB level.

Taking the previous work conducted under the ERPB as a starting point (i.e. the report presented to the ERPB for its June 2019 meeting, as well as the outcome of the informal exploratory workstream addressing the conditions for restarting the work presented to the ERPB for its November 2020 meeting), the working group was mandated to define further key elements of a Scheme, with the legal and regulatory requirements of PSD2 constituting the "baseline", but also going beyond such a baseline to encompass value-added ("premium") services that may be provided in the context of "open banking" as a natural evolution of PSD2, within the contractual framework of a Scheme. It is recommended that these key elements provide the foundation of a future rulebook and the future implementation guidelines for (a) Scheme(s). In line with its mandate, the working group has focused mainly on payment-related services to be placed under the Scheme's governance, while also

considering other services (e.g. loans and personal finance management) that could potentially leverage payments and lead to further efficiencies and innovations.

The report prepared by the working group lays the ground for enabling the implementation of a scheme for the payment asset class. It presents refined prioritised customer journeys and business requirements (compared with the work done in 2019), scheme requirements, a list of overlaps with other relevant ongoing work, an assessment of the landscape of scheme managers, and a preliminary analysis as to how APIs could also be useful for services and products other than payments.

The ERPB:

- took note of the working group report and welcomed the analysis conducted;
- invited the EPC to take up the role of Scheme manager in relation to payment accounts, in line with the requirements defined in the report. In doing so, the EPC would need, inter alia, to ensure there is adequate stakeholder involvement and alignment with the relevant actors (e.g. standardisation initiatives and directory service providers) and regulatory bodies in the ecosystem and to promote the Scheme's adoption. The EPC was invited to provide an update on the progress of this work for the November 2021 ERPB meeting;
- supported the idea of exploring the implementation of API access schemes for financial asset classes other than payments, via the identification of an appropriate host for such a multi-stakeholder project, as well as to framing the ecosystem for asset classes beyond finance, in order to move towards an open data economy in Europe.

Update of the ERPB workplan

The ERPB adopted its current workplan in November 2018. In preparation for the discussion of its workplan update, in November 2020 the ERPB had a first exchange of views on possible topics for the next two years, based on the feedback that had been provided by members ahead of the meeting. The ERPB agreed to finalise its workplan on this basis at its June 2021 meeting.

Based on the suggestions received, and considering the work stemming from the 2018-2020 workplan, members of the ERPB agreed on the main priorities for the period 2021-2023, namely:

- continuing the work planned for ongoing and current workstreams, i.e. the completion of the work on access to and acceptance of cash by November 2021, and the follow-up on work requiring stakeholder actions – in particular the actions stemming from the report on transparency for retail payments end users presented to the June 2021 ERPB;
- initiating further work on the development of a QR-code standard, detailing the requirements for such a standard as well as its governance and the process for future updates. The ERPB invited the EPC to conduct this work in a group with multi-stakeholder participation and involving relevant standardisation bodies, and to report back to the November 2021 ERPB meeting. This work could thereafter be broadened to other technologies such as NFC or BLE.

In November 2021, based on the above deliverables (that may imply a potential follow-up) and on the assessment of whether to conduct further work on the remaining elements of an interoperability framework for instant payments at the POI, the ERPB will consider further priorities going forward.

Items for information purposes

The ERPB took note of:

- the update provided by the European Commission on the work carried out in the field of retail payments, including instant payments, the review of the PSD2 and the proposal for a Regulation amending eIDAS as regards establishing a framework for a European digital identity;
- the information provided by the ECB on the follow-up to the public consultation on the possible issuance of a digital euro;
- the update provided by the ECB on the G20 work on cross-border payments, with a focus on the consultative report published by the Financial Stability Board (FSB) on targets for enhancing cross-border payments. ERPB members were encouraged to reply to the FSB consultation closing on 16 July 2021;
- the outcome of the written procedure on the status of past ERPB recommendations. The ERPB assessed the follow-up on these recommendations to have been appropriate overall. The ERPB Secretariat will continue to monitor the actions taken by the relevant stakeholders in relation to open recommendations and will report back to the ERPB on a regular basis;
- the following documents shared with the ERPB in written procedure: the SEPA Request-to-Pay (SRTP) Scheme update provided by the EPC and the interim report of the ERPB working group on access to and acceptance of cash.

Annex 1 – Recommendations related to transparency for retail payments end users

#	Rationale	Recommendations	Addressee(s)	Deadline
1	It is critical that the payee uses the name that is recognisable by their clients so that transactions can be correctly identified. If the legal name is different from the commercial trade name, the legal name may be meaningless to the client.	Consistently use commercial trade name and provide this name to all involved parties in the payment chain for use in client's payment account statements.	Payees Payees' PSPs Payers' PSPs Processors Payment schemes	Maximum 3 years, i.e. June 2024
2	To ensure the use of commercial trade name, the payee PSPs should also be involved.	Collect commercial trade name from payees and enable payees with tools to maintain up to date configuration data.	Payees' PSPs Payees	
3	Intermediary entities should avoid their names replace the commercial trade name of payees.	Keep the payee's commercial trade name in transaction data.	Processors	
4	When intermediaries such as marketplaces, travel agencies, payment platforms are involved in a transaction, it may not be sufficient in some cases to provide only the payee /ultimate payee name or only the intermediary's name.	Include commercial trade name of both ultimate payee and of intermediary platforms when necessary. Special keywords such as "booked via", "your order from", "payment processed for" may be used.	Payees' Intermediary Platforms	
5	Use of appropriate standards is essential to make sure that the expected information is well transmitted. These standards and applications should be adapted to the needs of the consumer.	Use standards and applications suitable for including identified data sets "end-to-end". Upgrade or change these standards when necessary.	Payees Payees' PSPs Payers' PSPs Processors Payment schemes	

6	Accurate geographical location of the purchase (including city, street name, number, country) is the relevant information for the consumer. The location of the head-office or processing entity is not.	Indicate exact geographical location where a physical purchase was made.	Payees	
7	Brand name and online platform name is more relevant for consumer in case of online commerce than geographical location. The country is useful for identifying cross-border purchases.	Indicate commercial trade name as displayed on the website or the commercial trade name of the online merchant for online purchases. The merchant's country should also be indicated whenever is possible.	Payees	
8	Using the transaction date (e.g. authorisation date) helps consumers to well identify when the actual purchase was made.	Indicate relevant transaction date.	Payees Payees' PSPs Processors	
9	As last element in the chain, the payers' PSPs should ensure all data received from preceding actors are accurately reflected in the payment statement, regardless of its format.	Include commercial trade name, geographical location of payees and transaction date in the payment account statement.	Payers' PSPs	
10	This encourages the adoption of these recommendations by all PSPs adhering to the scheme.	Proactively ensure that their scheme rules encourage all the relevant recommendations to the largest extent possible.	Payment schemes	
11	Ensure that the recommendations are implemented by all participants.	Proactively engage with the whole sector, beyond existing membership to carry out an impact assessment by October 2021 to define a timeline for implementation of maximum 3 years of these recommendations, and report	For Payees: EuroCommerce, SMEunited, Ecommerce Europe For Payees' PSPs: ECSAs,	

		back to the ERPB on a half-year basis.	EDPIA, ETPPA, EPIF, EMA For payers' PSPs: ECSAs, EPIF, EMA For Processors: EDPIA	
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Annex 2

**LIST OF ATTENDEES OF THE FIFTEENTH MEETING OF THE EURO
RETAIL PAYMENTS BOARD (ERP) ON 28 JUNE 2021**

Chair: Mr Fabio Panetta, Member of the Executive Board

Sector	Members
BEUC (European Consumers' Organisation)	Ms Monique Goyens Director General BEUC
AGE Platform (the association of consumers 50+)	Ms Anne-Sophie Parent (<i>alternate</i>) AGE Platform
<i>Retailers</i> (EuroCommerce)	Mr Frédéric Mazurier CEO, Market Pay (Carrefour Group)
<i>Internet retailers</i> Ecommerce Europe	Mr Marc Nieto CEO, MPServices
<i>Corporates</i> (EACT & BusinessEurope)	Mr Jean-Marc Servat Chair EACT
<i>SMEs</i> SMEunited	Mr Bernard Cohen-Hadad President, CPME
National public administrations	Mr Harald Waiglein Chair EU Financial Services Committee & Director General Federal Ministry of Finance Directorate General III - Economic Policy, Financial Markets and Customs
European Payments Council (EPC)	Mr Javier Santamaría Chair EPC
<i>Co-operative banks</i> (European Association of Co-operative Banks - EACB)	Mr Andreas Martin Member of the Board of Managing Directors of the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken
<i>Savings banks</i> (European Savings & Retail Banking Group - ESBG)	Mr Juan Morlá Tomás CEO and Board Member of Caixabank Payments
<i>Commercial banks</i> (European Banking Federation - EBF)	Mr Maurizio Sella Chair of Banca Sella Holding
European Payment Institutions Federation (EPIF)	Mr Konstantinos Maragkakis EEA Chief Executive Officer, Paysafe

E-money Association	Mr Joe Heneghan CEO, Revolut Ireland
European Third Party Providers Association (ETPPA)	Mr Arturo González Mac Dowell President & CEO, Eurobits technologies
	Guest
European Digital Payments Industry Alliance (EDPIA)	Mr Gilles Grapinet Chairman & CEO, Worldline
National central banks (on rotating basis)	Active participants
Danmarks NationalBank	Mr Karsten Bilstoft Assistant Governor & Head of Financial Stability
Banco de España	Mr Juan Ayuso Huertas Director General Operations, Markets, and Payment Systems
Banca d'Italia	Mr Livio Tornetta Deputy Head Currency Circulation and Retail Payments Directorate General
Banque Centrale du Luxembourg	Mr Nicolas Weber Executive Director
Banka Slovenije	Mr Jožef Bradeško Vice Governor
	Observer
European Commission	Mr John Berrigan DG Financial Stability, Financial Services and Capital Markets Union