



ERPB Working Group on Transparency for retail payment-end-users

Presentation to Finnish Payments Council
19 September 2022

Former ERPB WG Co-Chair: Diederik Bruggink

What is that payment?

- Who?
- Where?
- When?



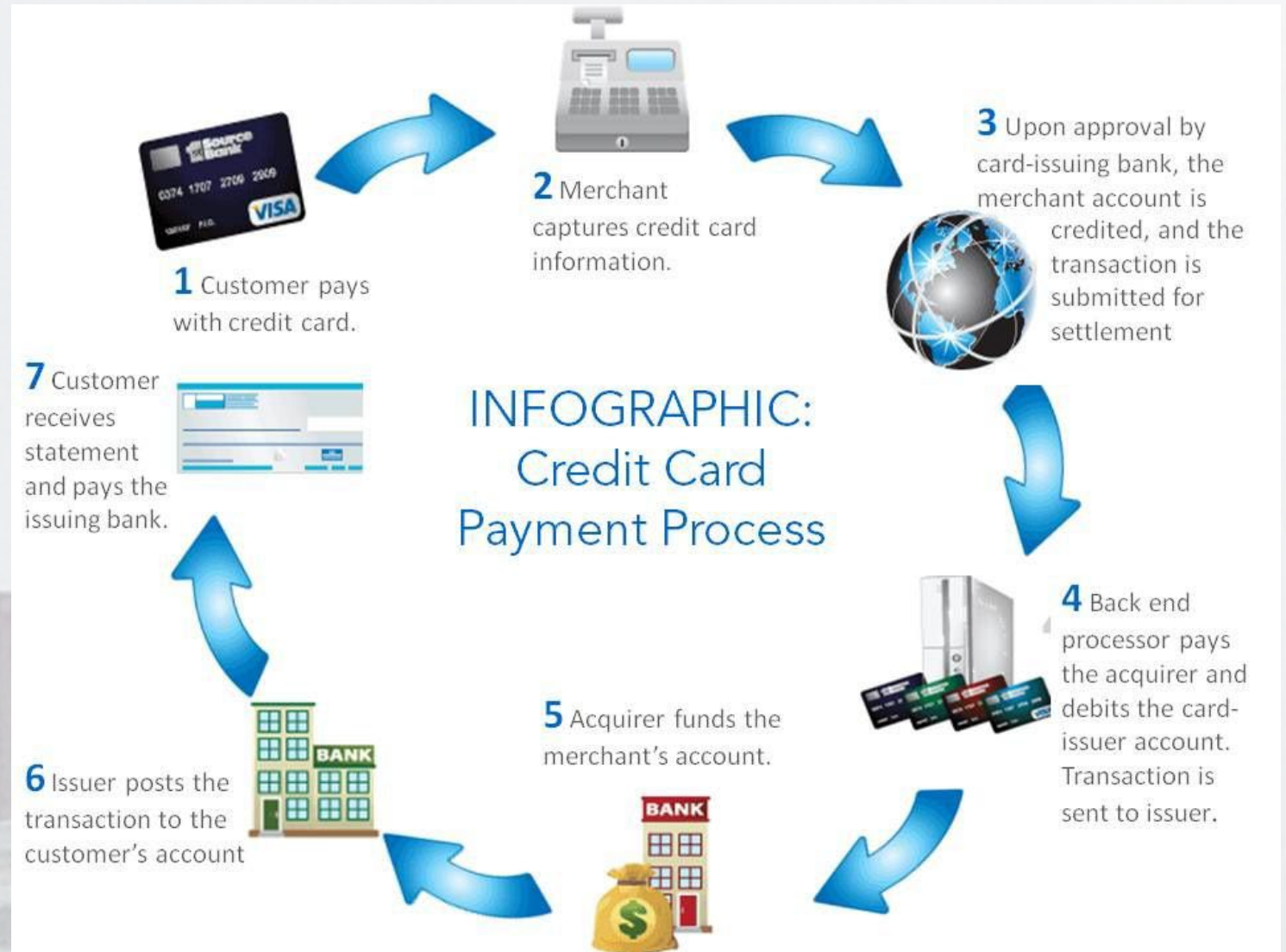
Some transparency about the Working Group itself

- Launched in July 2020, the Working Group started its work in September 2020.
- Members: AGE, BEUC, EACB, EBF, ECB, EMA, EPC, EPIF, ESBG and Eurocommerce. EDPIA joined later. Banco de Portugal, Banque de France, Bundesbank and De Nederlandsche Bank participated too. Observer: European Commission.
- At a later stage, card scheme sector representatives and processor sector representatives were invited via the ECSG.
- Interim report delivered to November 2020 ERPB Meeting.
- The Working Group met virtually on a bi-weekly basis.
- The Working Group Members jointly agreed on the recommendations, the next steps and the report.
- Final report delivered to June 2021 ERPB Meeting.
- Impact Assessments delivered to November 2021 and July 2022 ERPB Meeting.



The main issue: the payment chain is complex

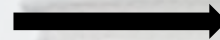
- Full information at the start
- No losses during the different steps



Some Examples of Issues reported



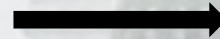
Payment Account Statement



Brussels Burgers SPRL



Online Shop



Name of Payment Service Provider
or
Name of Market Place



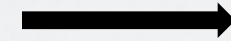
Your flight:
Brussels-Barcelona-Brussels



Airline Name, DUBLIN

Addressing the **whom**

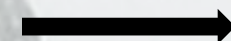
In order to enable the consumer to easily identify to **whom** a payment was made, **the commercial trade name** should be used as it is more recognisable to the consumer than the legal name of the payment beneficiary.



MacDonald's Brussels



Online Shop



Shop.com

Determining the options for using the commercial trade name

From 2022 assessment

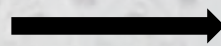
- Apart from a few cases there is no specific national legislation that prevents using *only* the commercial trade name to identify the payee in payments messages nor is there any such requirement in the EU level.
 - For those cases where the legal entity name needs to be used or included, the commercial trade name could be added in addition to the legal entity name.
- Most schemes are well-prepared to include the commercial trade name in payment messages and legally allowed to do so. Some schemes identified legal restrictions and some technical difficulties.
 - The schemes that cannot include the commercial trade name in payment messages for legal reasons, should be invited to explore, in cooperation with national authorities, whether the identified legal obstacles can be removed to bring them in line with most other schemes in the interests of consumers and to provide a level playing field for service providers.
 - The schemes that identified technical difficulties, should prioritise work to overcome these within the timelines already agreed by the ERPB, i.e. the end of June 2024.
- Payees should ensure a constant and consistent use of their commercial trade name when providing their name to different schemes.
- The commercial trade name to be included so that ASPSP's can provide this information in payment account statements.

Addressing the **where**

In the case of purchase of goods or services in a non-remote setting, **the actual place where the transaction took place** should be provided to consumers on their payment account statements. If a transaction takes place in a specific location (shop, restaurant, etc.), that place (country or country code, and city) should be mentioned.

When transactions are processed centrally (at the head office instead of a local branch), the transaction's location should be mentioned instead of the head office's location where the beneficiary has its accounting processed.

Use an additional geographical identifier where possible.



Starbucks Pohjola

Identifying the location of a purchase

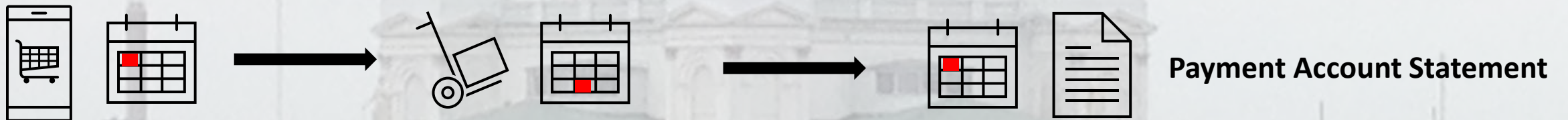
From 2022 assessment

- Mandate: **provide a generic list of possible use cases when displaying the location of purchase is neither possible nor recommendable.** The list should only apply to transactions at a physical point of interaction
- Identifying the location of a purchase, for (but not limited to) physical transactions, is not always straightforward. Various factors may prevent location data from displaying properly (e.g. conflicting/inaccurate data, unavailability, P2P transactions).
- Several situations in relation to supplier mobility, e.g. itinerant traders who in rural areas make a circuit with many stops, traders who set up shop on a different market each day of the week, taxis and other related services, services offered and paid, at the home of the consumers → indicating in statements wording such as “food truck”, “local market”, “taxi service” etc.
- Some cases that are not related to the payee mobility but where location may not be necessary, e.g. direct debit transactions, utility bills and other regular payments (salary, tax payments) and P2P transactions between two private persons.
- The survey to the schemes revealed that the location information is treated very differently depending on the payment instrument used.

Addressing the **when**

The information provided to the consumer should clearly indicate the **date and time of the transaction** (i.e. **when** the actual purchase was made - e.g., for card transactions it should be the date and time of the positive authorisation).

If the date/time of the execution of the payment is different from the transaction date (e.g. in deferred payment), then the execution date/time should be also provided.



11 Recommendations were made

The 11 Recommendations are calling upon all Stakeholders

In June 2021, the ERPB endorsed the recommendations and the **overall implementation timeline of three years** (i.e. **the work should be completed by June 2024**) suggested by the ERPB Working Group on transparency for retail payments end-users.

It is expected that the sector representatives that are Member of the ERPB engage with their sector at large to monitor that these recommendations are properly planned for and implemented in maximum 3 years time.

Correct data entry at the start of each transaction.

Correct data should travel end-to-end.

Correct data should be presented to the end-users.

In October 2021 the stakeholders are expected to present their planning, their deadline and eventual progress in a meeting called by the ERPB Secretariat.

Prioritisation of efforts

From 2022 assessment

- Mandate: **prioritise the recommendations** based on their potential impact on payment process chains, including the underlying rationale
- Proposed **actions and solutions** for each of the ERPB recommendations together with a **prioritisation category** (High – Medium – Low) per addressee of the recommendations.
- Examples of actions:
 - Campaigns to merchants to always provide up-to-date information on the commercial trade name to their PSPs
 - To include the commercial trade name, if not done yet and when different from the legal entity name, in the data collected
 - If necessary, to change or upgrade the data collection process/specifications
 - To indicate the correct location in all POIs and update the location if it changes
 - When the actual transaction date differs from the authorisation date, both dates should be communicated in the payer's payment account statement

Refined timeline for implementing the recommendations

From 2022 assessment

- Mandate: Based on the three elements (options for including the commercial trade, a generic list of possible cases when displaying the location of purchase is not possible, and prioritisation of efforts), provide a refined timeline for implementing the recommendations within the timeframe envisaged by the ERPB
- In many cases the implementation can be completed within the envisaged timeline (**June 2024**).
- In cases when both legal entity name and commercial trade name are required, and when schemes expect considerable changes to protocols, the timeline for the implementation should be refined for some actions → implementation would take beyond the envisaged 3 years

A photograph of the Helsinki Cathedral, a large white neoclassical building with a prominent green dome topped with a golden cross. The building is set against a clear, light blue sky. In the foreground, there are some rooftops and a few utility poles. The text is overlaid on the image in a clean, white, sans-serif font.

ERPB Working Group on Transparency
for retail payment-end-users

KIITOS!

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