

## **Payment Accounts Regulations: Final Linked Services List**

Final list of the most representative services linked to a payment account and subject to a fee within the meaning of Regulation 3 of the Payment Accounts Regulations

April 2018

## How to respond

In this document we publish the final list of the most representative services linked to a payment account and subject to a fee within the meaning of Regulation 3 of the Payment Accounts Regulations.

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### How to navigate this document onscreen



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takes you to helpful abbreviations

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# 1 Overview

## Introduction

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- 1.1** A core objective of the EU Payment Accounts Directive (PAD) is to improve the transparency and comparability of fee information in relation to payment accounts for consumers. A key element of this is the introduction of standardised terms and definitions to describe some of the services linked to payment accounts and subject to a fee.
- 1.2** In this document, we publish the final UK list of the most representative services linked to payment accounts and subject to fees (the final linked services list). The final linked services list can be found in Table 2 of Chapter 3. Under the Payment Accounts Regulations (PARs), payment service providers (PSPs) that offer payment accounts are required to begin using the terminology in the final linked services list from 31 October 2018.
- 1.3** This follows our 2015 Call for Input<sup>1</sup> and Feedback Statement<sup>2</sup>, where we consulted on and published the UK provisional list. On the basis of national provisional lists, the EU has standardised terminology for services common in at least a majority of Member States. This document explains the process we have followed to integrate the EU standardised terminology<sup>3</sup> into the UK provisional list to form the final linked services list.

## Who does this affect?

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- 1.4** This will primarily be of interest to banks, building societies, other providers of payment accounts within the meaning of the PARs (such as e-money issuers) and their trade bodies. It will also be of interest to consumers who have a current account or other type of payment account that falls within the scope of the PARs, as well as to organisations representing the interests of consumers.

## Is this of interest to consumers?

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- 1.5** All providers of payment accounts will be required to use the standardised terminology in marketing, pre-contractual and contractual information provided to consumers in relation to payment accounts that fall within the scope of the PARs. This paper is therefore of interest to all consumers who have a payment account or are considering opening one.

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1 [www.fca.org.uk/publication/call-for-input/call-for-input-payment-accounts-services.pdf](http://www.fca.org.uk/publication/call-for-input/call-for-input-payment-accounts-services.pdf)

2 [www.fca.org.uk/publication/feedback/fs15-04.pdf](http://www.fca.org.uk/publication/feedback/fs15-04.pdf)

3 <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0032&from=EN>



## Next steps

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### What do you need to do next?

- 1.6** Providers of payment accounts are required to begin using the terminology in the final linked services list from 31 October 2018.



## 2 Development of the linked services list

- 2.1** This section provides a summary of the process that has been followed to develop the final linked services list. It then provides an explanation of how we have integrated the EU standardised terminology into the UK provisional list to form the final linked services list.
- 2.2** The final linked services list can be found in Table 2 of Chapter 3.

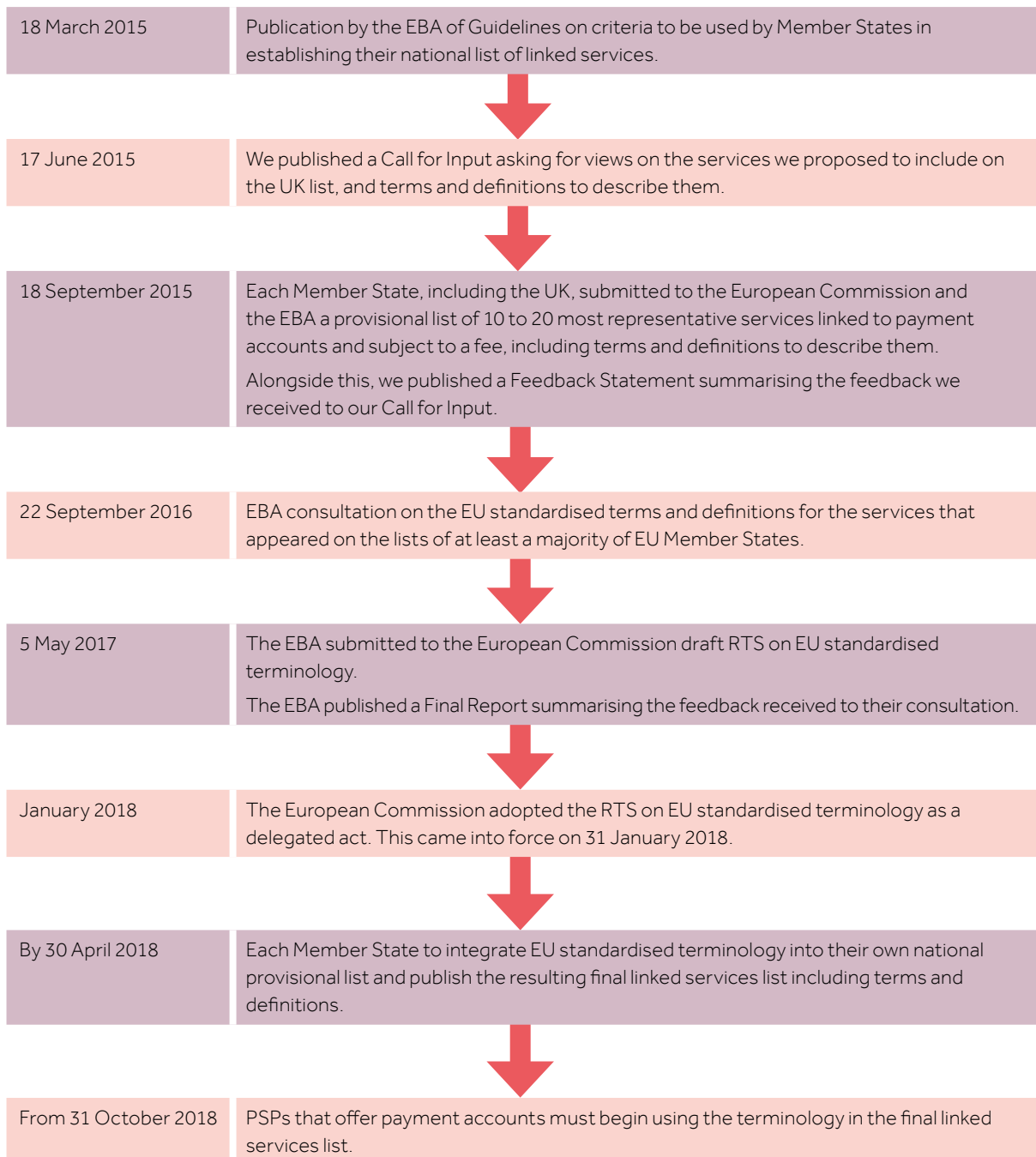
### Overview of the process

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- 2.3** Article 3 of PAD describes the process for the development of the standardised terms and definitions. The process included the following stages:
- Each Member State was required to establish a list of the most representative services linked to payment accounts in their territory (provisional national list), with terms and corresponding definitions
  - On the basis of the provisional national lists, the EBA had a mandate to develop draft regulatory technical standards (RTS) with EU standardised terminology for those services that appear on at least a majority of Member States' national lists
  - The European Commission then adopted this RTS as a delegated act in January 2018
  - Each Member State must now integrate the EU standardised terminology into their provisional national lists and publish the resulting final lists without delay and at the latest by 30 April 2018
- 2.4** Table 1 below provides an overview of the process of developing the final linked services list in the UK.



**Table 1 - Overview of the process**



## Integration of EU standardised terminology

**2.5** The PARs require us to publish the linked services list using the EU standardised terminology, where applicable. This means that, where a service on the UK provisional list also appears on the EU standardised list, we are required to replace the term and definition with the equivalent EU standardised term and definition. The final linked services list contains the same 15 services as included on the UK provisional list. Terminology for 8 services in the UK provisional list has been standardised at EU level.



**2.6** This section sets out our approach to this process, covering how we have:

- directly replaced terminology
- merged terminology where direct replacement is not possible, and
- made amendments to non-standardised terminology for consistency

**2.7** Annex 1 illustrates how we have done this.

**2.8** To finalise our approach we have informally engaged with a number of external stakeholders, including industry bodies and consumer groups. The resulting final linked services list can be found in Table 2 of Chapter 3.

### **Directly replaced terminology**

**2.9** The UK provisional list contained 4 services which have been standardised at EU level:

- account fee
- arranged overdraft
- direct debit, and
- standing order

**2.10** We have, therefore, directly replaced the terms and definitions for these services with the EU standardised terminology.

### **Merged terminology**

**2.11** During the process of identifying the most common services in the EU, the EBA decided that only terminology for core services should be standardised at EU level, rather than for narrower services. The EBA made the decision to standardise terminology for core services to enable the introduction of standardised terminology for the widest range of services, which is in keeping with PAD's objective to improve comparability. It was recognised that this would make it more difficult for Member States to integrate the EU standardised terminology, as it would mean that they may not be able to simply directly replace the national terminology with the standardised terminology.

**2.12** The UK provisional list contained 4 narrower services for which terminology for the core service has been standardised at EU level:

- withdrawing pounds in the UK
- withdrawing foreign currency outside the UK
- sending money within the UK, and
- sending money outside the UK



- 2.13** The core terminology for those services has been standardised at EU level as: 'cash withdrawal' and 'sending money'.
- 2.14** Following engagement with external stakeholders, we decided to add the narrow aspects of the core services on the UK provisional list to the corresponding EU standardised term and definition in the final linked services list. For example, 'withdrawing pounds in the UK' becomes 'cash withdrawal in pounds in the UK'. Retaining the narrow services in the UK final linked services list will ensure that we retain all of the services included on the UK provisional list, which were decided through quantitative and qualitative research as well as our public Call for Input.
- Amendments for consistency**
- 2.15** The UK provisional list contained 7 services which were not standardised at EU level. These services will be retained on the final linked services list. Integration of the EU standardised terminology means that the tone of the definitions used to describe these services would be inconsistent with the EU standardised terminology, ie the EU standardised terminology uses the third person (customer/account provider) whereas the UK provisional list uses first/second person (we/you).
- 2.16** We recognise that UK firms tend to communicate with consumers in first/second person which may be regarded as more consumer friendly. However, the EBA decided to use more formal language in the EU standardised terminology as this is how firms in other Member States communicate with consumers.
- 2.17** We are unable to make amendments to the EU standardised terminology. Therefore, we have decided that, on balance, it would benefit consumers to use the third person in all definitions in the final linked services list, to avoid confusing consumers. The terms for the services which have not been standardised at EU level remain the same as on the UK provisional list.





## 3 Final linked services list

3.1 Table 2 below contains the final linked services list within the meaning of Regulation 3 of the PARs.

**Table 2: Final linked services list**

Term	Definition
<b>maintaining the account</b>	The account provider operates the account for use by the customer.
<b>arranged overdraft</b>	The account provider and the customer agree in advance that the customer may borrow money when there is no money left in the account. The agreement determines a maximum amount that can be borrowed, and whether fees and interest will be charged to the customer.
<b>unarranged overdraft</b>	The customer borrows money when there is no money left in the account (or when the customer has gone past their arranged overdraft limit) and this has not been agreed with the account provider in advance.
<b>refusing a payment due to lack of funds</b>	The account provider refuses a payment from the customer's account because there is not enough money in it (or it would take the customer past their arranged overdraft limit).
<b>allowing a payment despite lack of funds</b>	The account provider allows a payment to be made from the customer's account although there is not enough money in it (or it would take the customer past their arranged overdraft limit).
<b>direct debit</b>	The customer permits someone else (recipient) to instruct the account provider to transfer money from the customer's account to that recipient. The account provider then transfers money to the recipient on a date or dates agreed by the customer and the recipient. The amount may vary.
<b>standing order</b>	The account provider makes regular transfers, on the instruction of the customer, of a fixed amount of money from the customer's account to another account.
<b>sending money within the UK</b>	The account provider transfers money, on the instruction of the customer, from the customer's account to another account in the UK.
<b>sending money outside the UK</b>	The account provider transfers money, on the instruction of the customer, from the customer's account to another account outside the UK.
<b>receiving money from outside the UK</b>	When money is sent to the customer's account from an account outside the UK.
<b>cash withdrawal in pounds in the UK</b>	The customer takes cash out of the customer's account in pounds at a cash machine, bank or Post Office in the UK.
<b>cash withdrawal in foreign currency outside the UK</b>	The customer takes cash out of the customer's account in foreign currency at a cash machine or, where available, at a bank outside the UK.
<b>debit card payment in pounds</b>	The customer uses their debit card to make a payment in pounds. This can be in a shop, online or over the phone.
<b>debit card payment in a foreign currency</b>	The customer uses their debit card to make a payment in foreign currency. This can be in a shop, online or over the phone.
<b>cancelling a cheque</b>	The customer asks the account provider to cancel a cheque that the customer has written.



## 4 Next steps

- 4.1** Providers of payment accounts will be required to begin using the terminology in the final linked services list in Table 2 of Chapter 3 from **31 October 2018**. The PARs require PSPs that offer payment accounts to:
- make available to consumers a glossary of at least the terms on the final linked services list and the related definitions
  - use the terms set out in the final linked services list in their contractual, commercial and marketing information
  - use the terms set out in the final linked services list and quote the corresponding fee for that service in a fee information document, and
  - where applicable, use the terms set out in the final linked services list in an annual statement of fees

# Annex 1: How the EU standardised terminology has been integrated into the UK list

UK provisional list		+	EU standardised terminology		=	UK final linked services list	
Term	Definition	Term	Definition	Term	Definition	Term	Definition
<b>account fee</b>	A fee that you pay regularly for your account or account package.	<b>Maintaining the account</b>	The account provider operates the account for use by the customer.	Directly replaced terminology	<b>maintaining the account</b>	The account provider operates the account for use by the customer.	
<b>arranged overdraft</b>	When we agree in advance that you can borrow up to a certain amount of money if you have no money left in your account.	<b>Arranged overdraft</b>	The account provider and the customer agree in advance that the customer may borrow money when there is no money left in the account. The agreement determines a maximum amount that can be borrowed, and whether fees and interest will be charged to the customer.	Directly replaced terminology	<b>arranged overdraft</b>	The account provider and the customer agree in advance that the customer may borrow money when there is no money left in the account. The agreement determines a maximum amount that can be borrowed, and whether fees and interest will be charged to the customer.	
<b>unarranged overdraft</b>	When you borrow money when you have no money left in your account (or have gone past your arranged overdraft limit) and this has not been agreed with us in advance.	N/A	N/A	Amendments for consistency	<b>unarranged overdraft</b>	The customer borrows money when there is no money left in the account (or when the customer has gone past their arranged overdraft limit) and this has not been agreed with the account provider in advance.	
<b>refusing a payment due to lack of funds</b>	When we refuse a payment from your account because there is not enough money in it (or it would take you past your arranged overdraft limit).	N/A	N/A	Amendments for consistency	<b>refusing a payment due to lack of funds</b>	The account provider refuses a payment from the customer's account because there is not enough money in it (or it would take the customer past their arranged overdraft limit).	



UK provisional list		+	EU standardised terminology		=	UK final linked services list	
Term	Definition	Term	Definition	Amendments for consistency	Term	Definition	
<b>allowing a payment despite lack of funds</b>	When we allow a payment to be made from your account although there is not enough money in it (or it would take you past your arranged overdraft limit).	N/A	N/A	Amendments for consistency	<b>allowing a payment despite lack of funds</b>	The account provider allows a payment to be made from the customer's account although there is not enough money in it (or it would take the customer past their arranged overdraft limit).	
<b>direct debit</b>	When you agree that someone else (usually a company) can take money from your account on agreed dates. The amount can vary.	<b>Direct debit</b>	The customer permits someone else (recipient) to instruct the account provider to transfer money from the customer's account to that recipient. The account provider then transfers money to the recipient on a date or dates agreed by the customer and the recipient. The amount may vary.	Directly replaced terminology	<b>direct debit</b>	The customer permits someone else (recipient) to instruct the account provider to transfer money from the customer's account to that recipient. The account provider then transfers money to the recipient on a date or dates agreed by the customer and the recipient. The amount may vary.	
<b>standing order</b>	When you ask us to make regular payments for a fixed amount to another account in the UK.	<b>Standing order</b>	The account provider makes regular transfers, on the instruction of the customer, of a fixed amount of money from the customer's account to another account.	Directly replaced terminology	<b>standing order</b>	The account provider makes regular transfers, on the instruction of the customer, of a fixed amount of money from the customer's account to another account.	
<b>sending money within the UK</b>	When you make a payment from your account to another account in the UK.	<b>Sending money</b>	The account provider transfers money, on the instruction of the customer, from the customer's account to another account.	Merged terminology	<b>sending money within the UK</b>	The account provider transfers money, on the instruction of the customer, from the customer's account to another account in the UK.	
<b>sending money outside the UK</b>	When you make a payment from your account to an account outside the UK.			Merged terminology	<b>sending money outside the UK</b>	The account provider transfers money, on the instruction of the customer, from the customer's account to another account outside the UK.	



UK provisional list		+	EU standardised terminology		=	UK final linked services list	
Term	Definition	Term	Definition	Amendments for consistency	Term	Definition	
<b>receiving money from outside the UK</b>	When money is sent to your account from an account outside the UK.	N/A	N/A	Amendments for consistency	<b>receiving money from outside the UK</b>	When money is sent to the customer's account from an account outside the UK.	
<b>withdrawing pounds in the UK</b>	When you withdraw pounds at a cash machine, bank or Post Office in the UK.	<b>Cash withdrawal</b>	The customer takes cash out of the customer's account.	Merged terminology	<b>cash withdrawal in pounds in the UK</b>	The customer takes cash out of the customer's account in pounds at a cash machine, bank or Post Office in the UK.	
<b>withdrawing foreign currency outside the UK</b>	When you withdraw foreign currency at a cash machine or, where available, at a bank outside the UK.			Merged terminology		<b>cash withdrawal in foreign currency outside the UK</b>	The customer takes cash out of the customer's account in foreign currency at a cash machine or, where available, at a bank outside the UK.
<b>debit card payment in pounds</b>	When you use your debit card to make a payment in pounds. This can be in a shop, online or over the phone.	N/A	N/A	Amendments for consistency	<b>debit card payment in pounds</b>	The customer uses their debit card to make a payment in pounds. This can be in a shop, online or over the phone.	
<b>debit card payment in a foreign currency</b>	When you use your debit card to make a payment in foreign currency. This can be in a shop, online or over the phone.	N/A	N/A	Amendments for consistency	<b>debit card payment in a foreign currency</b>	The customer uses their debit card to make a payment in foreign currency. This can be in a shop, online or over the phone.	
<b>cancelling a cheque</b>	When you ask us to cancel a cheque that you have written	N/A	N/A	Amendments for consistency	<b>cancelling a cheque</b>	The customer asks the account provider to cancel a cheque that the customer has written.	
N/A	N/A	<b>Providing a debit card</b>	The account provider provides a payment card linked to the customer's account. The amount of each transaction made using the card is taken directly and in full from the customer's account.	No action	N/A	N/A	

