

EURO RETAIL PAYMENTS BOARD

Statement of the first meeting of the Euro Retail Payments Board held on 16 May 2014

Functioning of the Euro Retail Payments Board and expectations

The members of the Euro Retail Payments Board (ERP) welcomed the establishment of the ERP. They agreed on the common key objective, which is to contribute to and to facilitate the creation of an integrated, competitive and innovative market for euro retail payments in the EU based on a level playing field. The participants expressed their support for this cooperative approach, reinforced by the Europe-wide reach of the ERP, combined with the output-driven focus, as being the right approach in the post-SEPA migration environment. The fact that the ERP consists of an even number of members from both the demand and the supply side was also supported by the participants. It ensured that the ERP would be an appropriate forum to foster cooperation between the European market participants, and, therefore, the positions, views or guidance taken by the ERP would reflect a broad consensus among key stakeholders in the euro retail payments market. The work output of the ERP would provide solid grounding for creating efficient, innovative, convenient and secure payment services and solutions in a fully integrated European market environment.

Work plan and priorities of the Euro Retail Payments Board

The members of the ERP agreed on a work plan for the ERP for the period 2014-16. It includes work on important segments of the euro retail payments market and reflects the diversity of key issues in this field. Members agreed to immediately set up two working groups, both to be composed of relevant stakeholders from the supply and demand side, on: i) post-migration issues relating to the SEPA credit transfer and SEPA direct debit schemes; and ii) pan-European electronic mandate solutions for SEPA direct debits. These working groups are to be temporary (ad hoc) structures based on specific mandates adopted by the ERP. They would be expected to report back to the ERP by the end of 2014. ERP members also agreed to examine the possibility of setting up working groups on mobile payments and innovative payments and, therefore, asked the Secretariat to prepare draft mandates for these working groups for consideration by the members of the ERP. In addition, ERP members agreed to invite the Cards Stakeholder Group (CSG) to carry out a stock-taking exercise on the implementation of payment cards standardisation and devise a plan on dealing with the practical implementation issues in this respect at the next meeting of the ERP.

Alternative SEPA direct debit scheme

The members of the ERP discussed the principles outlined in a note prepared by a multi-stakeholder task force that had analysed the feasibility of an alternative direct debit scheme in SEPA that did not include the unconditional right to refunds. Although the representative of consumers stressed the importance of the unconditional right to refunds for payers, the members of the ERP agreed that — if permitted under EU law — such a scheme could be launched provided that the scheme followed, inter alia, the seven principles outlined by the task force. These principles are: i) ensuring full

transparency to consumers; ii) limiting the list of goods or services that the scheme could be used for; iii) making collections subject to a maximum amount; iv) the consumer refund rights for unauthorised transactions remaining fully intact to ensure full consumer protection; v) making it easy for payment service providers (PSPs) to determine which creditors are entitled to use the scheme; vi) no requirements for PSPs to check or monitor individual underlying transactions; and vii) having the potential to reach the legally defined PSP adherence threshold for a pan-European direct debit scheme.

Members agreed: i) to recommend to the European Commission and the EU legislators that they consider a legal solution to clarify the refund rights in the context of a review of the Payment Services Directive; and ii) that such an alternative direct debit scheme in SEPA could only be launched once the review of the Payment Services Directive was complete and thus provided a clear legal background to allow for this.

Electronic mandates for SEPA direct debits

The members of the ERPB took note of the diversity of both the existing and planned electronic mandate solutions for SEPA direct debits and the lack of pan-European solutions in the making. They agreed that there was a short-term need to clarify the rules of the SEPA direct debit schemes governing electronic mandates in a way that was more open to all types of electronic mandate solutions. This clarification should, however, be based on the principle that — in cases where “weak” customer authentication techniques are employed and the payer claims that an unauthorised transaction has taken place — the burden of proof lies on the creditor’s side.

With regard to a longer-term perspective, the ERPB agreed that truly pan-European electronic mandate solutions needed to be found and implemented. This made it necessary to analyse the existing barriers to cross-border integration. This work would be conducted by an ERPB working group specifically created for this purpose.

Acknowledgement of the Cards Stakeholders Group

The members of the ERPB agreed to acknowledge the work of the Cards Stakeholders Group (CSG) and invited the Group to continue its work on formulating harmonised requirements for payment cards standardisation and to keep the ERPB informed of their progress on a regular basis. In addition, the members of the ERPB invited the CSG to carry out a stock-taking exercise on the implementation of standards related to payment cards and to devise a plan on dealing with the practical implementation issues in this respect at the next meeting of the ERPB.

SEPA migration

The members of the ERPB took note of recent migration indicators and qualitative information on the current stage of migration to the SEPA credit transfer and SEPA direct debit schemes in the Member States of the euro area. There was consensus among the members that migration to the SEPA schemes was very close to completion in the credit transfer domain, but that there was still work to be done to ensure full and secure migration of direct debits using SEPA in a few countries by 1 August 2014. The members of the ERPB called upon all stakeholders in the euro area to complete their preparations and their migration to SEPA payment instruments as early as possible and before the deadline.



EUROPEAN CENTRAL BANK

EUROSYSTEM

LIST OF ATTENDEES OF THE FIRST MEETING OF THE EURO RETAIL PAYMENTS BOARD (ERPb) ON 16 MAY 2014

Chair: Mr Yves Mersch, Member of the Executive Board

Sector	Member
<i>Consumers</i> AGE Platform (the association of consumers 50+)	Ms Anne-Sophie Parent (Secretary General AGE Platform)
<i>Retailers</i> Eurocommerce & ERRT	Mr Jacques Parson (CEO Kappé International BV)
<i>Internet retailers</i> Ecommerce Europe	Mr Dennis Van Allemeersch (CEO Hotel Booker BV)
<i>Corporates</i> EACT & BusinessEurope	Mr Richard Raeburn (Chair EACT)
<i>National public administrations</i>	Mr Aidan Carrigan (Vice-Chair EU Financial Services Committee & Assistant Secretary, Financial Services Division, Department of Finance, Ireland)
European Payments Council (EPC)	Mr Javier Santamaría (Chair EPC, Senior Vice President Banco Santander)
<i>Co-operative banks</i> European Association of Co-operative Banks (EACB)	Mr Christian Brauckmann (Member of the Executive Board of WGZ Bank)
<i>Savings banks</i> European Savings & Retail Banking Group (ESBG)	Mr Antonio Massanell Lavilla (Chairman of Cecabank & Member and Secretary of the Steering Committee of CaixaBank)
<i>Commercial banks</i> European Banking Federation (EBF)	Mr Maurizio Sella (Chair of Banca Sella Holding)
<i>Payment institutions</i> European Payment Institutions Federation (EPIF)	Mr Brendan Walsh (Executive Vice President, Chairman of American Express Service Europe Limited Board)
<i>E-money institutions</i> E-money Association	Mr Richard Wagner (CEO of Advanced Payment Solutions)
National Central Banks (on rotating basis)	Active participants
Deutsche Bundesbank	Mr Carl-Ludwig Thiele (Member of the Executive Board)
Banco de España	Mr Javier Alonso (Director General Operations, Markets & Payment Systems)
Banque de France	Mr Denis Beau (Director General Operations)
Banca d'Italia	Mr Emerico Antonio Zautzik (Director General for Markets & Payment Systems)
De Nederlandsche Bank	Mr Frank Elderson (Member of the Governing Board)
Narodowy Bank Polski	Mr Piotr Wiesiolek (First Deputy President)
European Commission	Observer
European Commission	Mr Mario Nava (Director Financial Institutions, DG Internal Market and Services)