

Communiqué on the Retail Payments Council's meeting, 22/03/2019

The Retail Payments Council's ninth meeting took place on Friday 22 March 2019, chaired by Deputy Governor of the Riksbank Cecilia Skingsley. At the meeting, the participants presented current issues connected with the work of the council and the working committees appointed by the council informed of the work carried out since the previous meeting. The Dalarna County Administrative Board informed of its annual report and the task of monitoring that the provision of basic payment services meet the needs of society. The Swedish Civil Contingencies Agency was welcomed as a new member of the council and informed the meeting of their task of developing society's capacity to prevent and manage accidents and crises. The Retail Payments Council's sub-committees provided information on current regulation initiatives concerning payments, following up the work on surveying the possibilities and limits of card payments and withdrawals by card from ATMs in an off-line situation, current work to support the reach and accessibility of payment services, current government initiatives regarding payments, the development of card fraud and the collection of payments statistics.

Status report from the Working Group for Regulation, Policy and International Work

The Retail Payments Council's secretariat described the work carried out by this working group since the previous Council meeting. The European Council, the European Commission and the European Parliament have agreed to extend Regulation (EC) No 924/2009 on cross-border payments in euros. This stipulates that a cross-border payment in euros within the EU would not be allowed to cost more than a corresponding domestic payment in the national currency. Exchange rates and fees for foreign exchange must be presented clearly to individuals and companies who make payments in connection with card purchases and ATM withdrawals within the EU. The group has also discussed questions regarding how the new payment services directive shall be interpreted. Questions still remain regarding the design, testing and assessment of the dedicated interfaces for access to payment accounts that account-keeping institutions shall offer to suppliers of payment initiation services and account information services. There are also still questions regarding the regulations stating how account-keeping institutions shall gain exemption from the requirement to offer access to customer interfaces if there are disruptions in the dedicated interfaces for access to payment accounts. The working group has pointed out the risk that national financial supervisory authorities within the EU may interpret the directive in different ways.

Status report from the Working Group for Combating Vulnerability and Managing Crises in the Payments System

The chair informed that the Retail Payments Council's secretariat has followed up on the Council's study of the opportunities to pay by card and to make withdrawals from ATMs in the event of disruptions in communications. The secretariat has held a meeting with card issuers on the principles for dissemination of information between card issuers and cardholders. There was a discussion at the meeting of the limits and opportunities applying with regard to payments and withdrawals with different types of card in connection with disruptions. The card issuers stated that they want to adapt their communication to the conditions applying to different types of disruption. The Riksbank emphasised the importance of the card issuers being

more proactive and keeping cardholders informed of the limitations applying to different types of card.

The Retail Payments Council's secretariat informed the meeting that it has produced a draft report on the Swedish payments ecosystem, which is based on the payment flows mapped earlier by FSPOS (a group for private-public cooperation in the financial sector). The aim of the continued work on the report is to identify potential risks and vulnerabilities in the ecosystem. The chair pointed out that continued work on this is dependent on resources from the Council's participants and that one possible solution is to pass on the work to FSPOS if the working group does not have sufficient resources to continue with it.

Status report from the Working Group on the Reach, Accessibility and Reliability of the Payment Services

The County Administrative Board of Dalarna reported on the group's work based on the Retail Payments Council's work programme. The focus of the work programme lies on maintaining a dialogue and an analysis of the problems caused by private individuals being unable to use current digital payment possibilities, as well as dialogue and development of concrete proposals for what can be done to help these individuals. During the spring the working group held one meeting and discussed the county administrative boards' annual report on basic payment services, digital interfaces for access to payment accounts according to the new payment services directive and the payment analysis tool "PIPOS betalanalys", which is used to follow up on access to basic payment services.

Status report from the Working Group to Combat Money Laundering, Fraud and Terrorist Financing

The secretariat reported on the outcome of the group's most recent meeting. There had been a follow-up of the memorandum on challenges in the work to combat money laundering, fraud and terrorist financing produced by the working group in 2016. The working group considers that the guidance with regard to know-your-customer and risk assessment produced by the Swedish Anti-Money Laundering Institution (SIMPT) since 2017 in many cases deals with the challenges identified earlier. However, the group still sees a need for the police to give feedback to those institutions that report money laundering cases. Previously identified legal limitations regarding spreading information between institutions with regard to suspected money laundering still remain. The working group considers that improved feedback from the police regarding reported cases and the opportunity for institutions to spread information to one another can increase knowledge and improve the capacity to combat money laundering.

Status report from the Working Group for Statistics

The secretariat informed of the ongoing work at the Riksbank on reviewing the current survey for gathering payment statistics from market participants and the status of the ECB's work on updating its existing regulation on payment statistics. The Riksbank will make minor adjustments to its annual survey on payments statistics and introduce routines for clearer feedback to reporters on the data that has been reported. The ECB is continuing its preparations to extend the scope and frequency of its collection of payment statistics in relation to the current regulation. The next step is to follow up a consultation on the usefulness of extending the collection of statistics.

Other business

The current work programme for the Retail Payments Council contains a study of the costs for different types of payment. The Riksbank informed the meeting that it is evaluating the conditions for implementing a Swedish cost study.