

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Policy
Financial Conduct Authority
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Dear Sir / Madam,

CP 17/22 Revised Payment Services Directive (PSD2) implementation: draft authorisation and reporting forms

This is the Financial Services Consumer Panel's response to CP 17/22 Revised Payment Services Directive (PSD2) implementation: draft authorisation and reporting forms.

The Panel has a strong interest in the implementation of PSD2, and previously responded to the FCA's Consultation Paper 17/11 on this subject. We welcome the FCA's engagement with the Panel in this area, and we share the aim of ensuring that the implementation of PSD2 delivers appropriate protection for consumers.

The current FCA consultation on draft authorisation and reporting forms relates to technical and practical matters that are primarily of interest to payment services providers and e-money issuers. However, adopting the correct approach to authorisation of these firms and their supervision is imperative to maintain confidence in innovative payments services. It will therefore be essential that the FCA ensures the authorisations process functions effectively in order to prevent firms with risky business models, those that have failed to adequately consider potential customer detriment, or those with inadequate arrangements to protect and use consumer data are not able to enter the market. To inform the FCA's supervisory work, the Panel welcomes the additional information that authorised firms must provide, for example in relation to major incident reporting, and for banks to retain and building societies to keep records about account information services and payment initiation services. These changes should help to equip the FCA with information about the functioning of the market, enabling it to take swift action when required.

I trust that these high-level comments are useful as the FCA takes forward its work on PSD2.

Yours faithfully,

Sue Lewis
Chair, Financial Services Consumer Panel