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THE EUROPEAN UNION**

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From:	Presidency
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Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the comparability of fees related to payment accounts, payment account switching and acces to payment accounts with basic features

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Delegations will find below a Presidency compromise text on the above Commission proposal, to be discussed at the 5 November meeting.

Additions and changes to the Commission proposal are denoted by bold underlining and deletions by strikethroughs.

Proposal for a

**DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**On the comparability of fees related to payment accounts,  
payment account switching  
and access to payment accounts with basic features**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>1</sup>,

Having regard to the opinion of the Committee of the Regions<sup>2</sup>,

After consulting the European Data Protection Supervisor<sup>3</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

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<sup>1</sup> OJ C , , p. .

<sup>2</sup> OJ C , , p. .

<sup>3</sup> OJ C xx, xx.xx.xxx, p. .

- (1) In accordance with Article 26(2) TFEU the internal market is to comprise an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured. Fragmentation of the internal market is detrimental to competitiveness, growth and job creation within the Union. Eliminating direct and indirect obstacles to the proper functioning of the internal market is essential for its completion. EU action with respect to the internal market in the retail financial services sector has already substantially contributed to developing cross-border activity of payment service providers, improving consumer choice and increasing the quality and transparency of the offers.
- (2) In this respect, Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC, and 2006/48/EC and repealing Directive 97/5/EC ("Payment Services Directive") has established basic transparency requirements for fees charged by payment service providers in relation to services offered on payment accounts. This has substantially facilitated the activity of payment service providers, creating uniform rules with respect to the provision of payment services and the information to be provided, reduced the administrative burden and generated cost savings for payment service providers.
- (3) However, more can be done to improve and develop the single market for retail banking. In particular, the lack of transparency and comparability of fees as well as the difficulties in switching payment accounts still pose barriers to the deployment of a fully integrated market.
- (4) The current conditions of the Single Market may deter payments services providers from exercising their freedom to establish or to provide services within the Union because of the difficulty in attracting customers when entering a new market. Entering new markets often entails large investments. Such investments are only justified if the provider foresees sufficient opportunities and a corresponding demand from consumers. The low level of mobility of consumers with respect to retail financial services is to a large extent due to the lack of transparency and comparability as regards the fees and services on offer, as well as difficulties in relation to the switching of payment accounts. These factors also stifle demand. This is particularly true in the cross-border context.

- (5) Moreover, significant barriers to the completion of the single market in the area of payment accounts may be created by the fragmentation of existing national regulatory frameworks. Existing provisions at national level with respect to payment accounts, and particularly with respect to the comparability of fees and payment account switching diverge. For switching, the lack of uniform binding measures at EU level has led to divergent practices and measures at national level. These differences are even more marked in the area of comparability of fees, where no measures, even of a self-regulatory nature, exist at EU level. Should these differences become more significant in the future, as banks tend to tailor their practices to national markets, this would raise the cost of operating cross-border relative to the costs faced by domestic providers and therefore make the pursuit of business cross-border less attractive. Cross-border activity in the internal market is hampered by obstacles to consumers opening a payment account abroad. Existing restrictive eligibility criteria may prevent European citizens from moving freely within the Union. Providing all consumers with access to a payment account will permit their participation in the internal market and allow them to obtain the benefits of the single market.
- (6) Moreover, since some prospective customers do not open accounts, either because they are denied them or because they are not offered adequate products the potential demand for payment account services in the EU is currently not fully exploited. Wider consumer participation in the internal market would further incentivise payment service providers to enter new markets. Also, creating the conditions to allow all consumers to access a payment account is a necessary means to foster their participation in the internal market and to allow them to reap the benefits the Single Market has brought about.
- (7) Transparency and comparability of fees have been addressed in a self-regulatory initiative, initiated by the banking industry. However, no final agreement was found on these guidelines. As regards switching, the common principles established in 2008 by the European Banking Industry Committee provide a model mechanism for switching between bank accounts offered by payment service providers located in the same Member State. However, given their non-binding nature, these principles have been applied in an inconsistent manner throughout the EU and with ineffective results. Moreover, the Common Principles only address bank account switching at national level and do not address cross-border switching. Finally, as regards access to a basic payment account, the Commission Recommendation 2011/442/EU of 18 July 2011 invited Member States to take the necessary measures to ensure its application at the latest six months after its publication. To date, only few Member States comply with the main principles of the Recommendation.

- (8) It is vital, therefore, to establish a uniform set of rules to tackle the issue of low customer mobility and in particular to improve comparison of payment account services and fees and to incentivise payment account switching as well as avoid that consumers who intend to purchase a payment account cross-border are discriminated on the basis of residency. Moreover, it is essential to adopt adequate measures to foster customers' participation in the payment accounts market. These measures will incentivize entry for payment service providers in the internal market and ensure a level playing field, thereby strengthening competition and the efficient allocation of resources within the EU financial retail market to the benefit of businesses and consumers. Also, transparent fee information and switching possibilities combined with the right of access to basic account services will allow EU citizens to move and shop around more easily within the Union and therefore benefit from a fully functioning internal market in the area of retail financial services and contribute to its further development.
- (9) This Directive applies to payment accounts held by consumers. Consequently, accounts held by businesses, even small or micro enterprises, unless held in a personal capacity, are outside its scope. Furthermore, this Directive does not cover savings accounts, which may have more limited payments functions.
- (10) The definitions contained in the Directive are aligned with those contained in other Union legislation, and in particular those of Directive 2007/64/EC and those of Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009<sup>4</sup>.
- (11) It is vital for consumers to be able to understand fees so that they can compare offers from different payment service providers and make informed decisions as to which account is most suitable for their needs. Comparison between fees cannot be achieved where payment service providers use different terminology for the same ~~payment~~ services and provide information in different formats. Standardised terminology, coupled with targeted fee information for the most representative payment services **and related services** in a consistent format, can help consumers to both understand and compare fees.

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<sup>4</sup> OJ L 94, 30.3.2012, p. 22.

- (12) Consumers would benefit most from information that is concise and easy to compare between different payment service providers. The tools made available to consumers to compare payment account offers would not have a positive impact if the time invested in going through lengthy lists of fees for different offers outweighed the benefit of choosing the offer that represents the best value. Accordingly, fee terminology should only be standardised for the most representative terms and definitions within Member States in order to avoid the risk of excessive information.
- (13) The fee terminology should be determined by national competent authorities, allowing for consideration of the specificities of local markets. To be considered representative, services should be subject to a fee at a minimum of one payment service provider in Member States. In addition, where possible, fee terminology should be standardised at EU level, thus allowing for comparison across the Union. The European Banking Authority (EBA) should establish guidelines to assist Member States to determine the most representative payment services **and related services** subject to a fee at national level.
- (14) Once national competent authorities have determined a provisional list of the most representative services subject to a fee at national level together with terms and definitions, the Commission should review them to identify, by means of delegated acts, the services that are common to the majority of Member States and propose standardised EU level terms and definitions for them.

- (15) In order to help consumers compare payment account fees throughout the single market easily, payment service providers should provide consumers with a list of fees charged for the services listed in the **national list incorporating the** standardised terminology. This would also contribute towards establishing a level playing field between ~~credit institutions~~ **payment service providers** competing in the payment account market. The fee information document should only contain information on the most representative ~~payment~~ services in each Member State, using the terms and definitions established at EU level where relevant. In order to help consumers understand the fees they have to pay for their payment account, a glossary providing explanations for at least the fees and services contained in the list should be made available to them. The glossary should serve as a useful tool to encourage a better understanding of the meaning of fees, contributing towards empowering consumers to choose from a wider choice of payment account offers. An obligation should also be introduced for payment service providers to inform consumers, at least annually, of all the fees charged on their account. **In respect to the information provided on the overdraft services, Directive 2008/48/EC of the European Parliament and the Council on credit agreements for consumers should apply.** Ex-post information should be provided in a dedicated summary. It should provide a complete overview of the fees incurred to enable a consumer to understand what fee expenditures relate to, and to assess the need to either modify consumption patterns or move to another provider. This benefit would be maximised by the ex-post fee information covering the same services as the ex-ante information.
- (16) To meet the needs of consumers, it is necessary to ensure that fee information on payment accounts is accurate, clear and comparable. This Directive should therefore lay down common presentation requirements for the fee information document and the statement of fees, in order to ensure that they are understandable and comparable for consumers. The same format, order of items and headings should be followed for ~~every~~ fee information document and statement of fees **by every payment service provider** in ~~each~~ **one** Member State, allowing consumers to compare the two documents, thereby maximising understanding and use of the information. The fee information document and statement of fees should be clearly distinguishable from other communications. They should be identified by a common symbol.

- (17) In order to ensure the consistent use of applicable EU level terminology across the Union, Member States should establish an obligation for payment service providers to use the applicable EU level terminology together with the remaining national standardised terminology identified in the provisional list when communicating with consumers, including in the fee information document and the statement of fees. **In addition to the standardised terms** ~~Except for in the fee information document and statement of fees,~~ payment service providers may use brand names **in their contractual and commercial information, in the fee information document and statement of fees** to denote services.
- (18) Comparison websites are an effective means for consumers to assess the merits of different payment account offers in a single space. They can provide the right balance between the need for information to be clear and concise, yet complete and comprehensive, by enabling users to obtain more detailed information where this is of interest to them. They can also reduce search costs as consumers will not need to collect information separately from payment service providers.
- (19) In order to obtain impartial information on bank fees, consumers should be able to access comparison websites which are operationally independent from payment service providers, **i.e. payment service provider are shown in equal manner**. Member States should therefore ensure that at least one such website is available to consumers in their respective territories. Such comparison websites may be operated by competent authorities, other public authorities and/or accredited private operators. Member States should establish a voluntary accreditation scheme allowing private operators of comparison websites to apply for accreditation in accordance with specified quality criteria, **however, comparison websites without accreditation may continue to operate**. **The function of comparing fees connected to payment accounts may be fulfilled also by already existing websites comparing a broad range of financial or non-financial products**. A comparison website operated by a competent authority or other public authority should be established where a privately operated website has not been accredited. Such websites should also comply with the quality criteria. **A comparison website may encompass another information as well, e.g. information on determinants of the level of services provided by payment service providers, such as the number of branches or ATMs**.



- (20) It is current practice for payment service providers to offer a payment account in a package with other financial products or services. This practice can be a means for payment service providers to diversify their offer and to compete against each other, and in the end it can be beneficial for consumers. However the Commission study on tying practices in the financial sector conducted in 2009 as well as relevant consultations and consumer complaints have showed that payment service providers may offer bank accounts packaged with products not requested by consumers and which are not essential for payment accounts, such as household insurance. Moreover, it has been observed that these practices may reduce transparency and comparability of prices, limit purchasing options for consumers and negatively impact upon their mobility. Therefore, Member States should ensure that when payment service providers offer packaged payment accounts consumers are provided with information on the applicable fees for the payment account and for each other financial service included in the package separately. These obligations should not apply to services which are naturally connected to the use of the payment account, such as withdrawals, wire transfers or payment cards. As a result, these services should be excluded from the scope of this provision.
- (21) Consumers are only incentivised to switch accounts if the process does not entail an excessive administrative and financial burden. **Therefore, payment service providers should offer to consumers** ~~The procedure for switching payment accounts to another payment service provider should be~~ **a clear and quick procedure to switch accounts. Such procedure should be guaranteed when consumers want to switch from one payment service provider to another but also when consumers want to switch between different accounts within the same payment service provider. This will allow consumers to benefit from the most convenient offers on the market and easily change from their existing account to a new potentially more suitable one, irrespective of whether this occurs within the same provider or between different providers.** The fees, if any, charged by payment service providers in relation to the switching service should be in line with the actual cost incurred by payment service providers. In order to have positive impact on competition, switching should also be facilitated at cross-border level. Given that switching cross-border could be more complex than the switching at national level and may require payment service providers to adapt and refine their internal procedures, longer **implementation periods** ~~deadlines~~ for the cross-border switching **should be foreseen as well as longer deadlines to perform necessary tasks.** The need to maintain different deadlines should be evaluated in the context of the review of the proposed Directive.

- (22) The switching process should be as straightforward as possible for the consumer. Accordingly Member States should ensure that the receiving payment service provider is responsible for initiating and managing the process on behalf of the consumer.
- (23) Consumers should be allowed to ask the receiving payment service provider to perform the switch of all or part of the **standing orders for credit transfers, recurring direct debits and recurring incoming credit transfers executed on a payment account**~~recurring payments~~, as well as transferring the remaining balance **or closing the former account**, ideally within a single meeting with the receiving payment service provider. To this end, consumers should be able to sign one authorisation giving consent to the mentioned tasks. Before giving the authorisation the consumer should be informed of all the steps of the procedure necessary to complete the switch.
- (24) The co-operation of the transferring payment service provider is necessary for the switch to be successful. The receiving payment service provider should be provided by the transferring payment service provider with all the information ~~it considers necessary~~ **on well founded operational grounds** to reinstate the ~~recurrent~~ payments on the new payment account. However, such information should not exceed what is necessary to carry out the switch and the receiving payment service provider should not ask for superfluous information.
- (25) Consumers should not be subject to ~~penalties or any other financial detriment~~ **financial losses** caused by the misdirection of incoming credit transfers or direct debits. This is particularly important for certain categories of payer and payee, such as utilities companies, which use electronic means (e.g. databases) to store information on consumers' account details and perform numerous periodical transactions involving large numbers of consumers. **In particular, consumers should not bear any financial loss deriving from the payment of additional fees, interest or other charges as well as fines or penalties due to the delay in the execution of the payment.**
- (26) Member States should guarantee that consumers who intend to open a payment account are not discriminated against on the basis of their nationality or place of residence. While it is important for payment service providers to ensure that their customers are not using the financial system for illegal purposes such as fraud, money laundering or terrorism financing, they should not impose barriers to consumers who want to benefit from the advantages of the single market by purchasing payment accounts cross-border.

- (27) Consumers who are legally resident in the Union and who do not hold a payment account in a certain Member State should be in a position to open and use a payment account with basic features in that Member State. In order to ensure the widest possible access to such accounts, consumers should have access to them irrespective of their financial circumstances, such as unemployment or personal bankruptcy, and of their place of residence. Moreover, the right to access a payment account with basic features in any Member State should be granted in conformity with the requirements set out in Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing<sup>5</sup>, in particular with regard to customer due diligence procedures.
- (28) Member States should ensure that ~~at least one~~ payment service providers, **offering payment accounts to consumers in the retail market, provide** ~~offers~~ a payment accounts with basic features to consumers. Access should not be overly difficult and should not entail excessive costs for consumers. ~~In this respect, Member States should consider factors such as the location of the designated payment service providers in their territory.~~ In order to minimise the risk for consumers to become financially excluded, Member States should improve financial education, including at school, and combat over-indebtedness. Furthermore, Member States should promote initiatives of payment service providers in order to facilitate the combination of providing payment accounts with basic features and financial education.
- (29) To exercise their right to access a ~~basic~~ payment account **with basic features**, consumers should not already hold a payment account in the same territory. When it is not possible to use electronic systems to establish whether or not a consumer already holds a payment account, payment service providers should accept a declaration by consumers as a reliable means of verifying that they do not already hold a payment account.

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<sup>5</sup> OJ L 309, 25.11.2005, p. 15.

- (30) Consumers should be guaranteed access to a range of basic payment services, for which a minimum number of operations shall be determined by Member States, ~~in a way that should take into account both the needs of the consumers and the commercial practices in the Member State concerned.~~ **When identifying the services to be offered with a payment account with basic features and a minimum number of operations to be included, national specificities should be taken into account. In particular, certain services may be considered essential to guarantee full use of a payment account in a certain Member State, due to their widespread use at the national level. For example, in some Member States consumers still widely use cheques, while this means of payment is very rarely used in other Member States. The present Directive should therefore allow Member States to identify additional services that are considered essential at the national level and that should be provided with a payment account with basic features.** Beyond this list of minimum services, **payment services providers** banks may apply their regular fees. Services linked to basic-payment accounts **with basic features** should include the facility to deposit and withdraw money. Consumers should be able to undertake essential payment transactions such as receiving income or benefits, paying bills or taxes and purchasing goods and services, including via direct debit, credit transfer and the use of a payment card. Such services should allow the purchase of goods and services online and should give consumers the opportunity to initiate payment orders via the payment service provider's online banking facility, where available. However, a payment account with basic features should not be restricted to online usage as this would create an obstacle for consumers without internet access. Consumers should not be given access to a **regular** ~~an~~ overdraft facility with a payment account with basic features. However, Member States may allow payment services providers to offer **temporary and limited overdraft** (buffering) facilities for very small amounts **and for a very short time** in relation to payment accounts with basic features.

- (31) In order to ensure that ~~basic~~ payment accounts **with basic features** are available to the widest possible range of consumers, they should be offered free of charge or for a reasonable fee. Furthermore, any additional charges to the consumer for non-compliance with the terms laid down in the contract should be reasonable. Member States should establish what constitutes a reasonable ~~fee charge~~ according to national circumstances. In order to ensure consistency and efficiency in the implementation of the principle of a reasonable ~~charge~~**fee**, the EBA should be tasked with issuing guidelines as regards the ~~general~~ criteria identified in this Directive.
- (32) The payment service provider should refuse to open or should terminate a contract for a payment account with basic features only in specific circumstances, such as non-compliance with the legislation on money laundering and terrorist financing or on the prevention and investigation of crimes. Even in these cases, a refusal can only be justified where the consumer does not comply with the provisions of that legislation and not because the procedure to check compliance with the legislation is too burdensome or costly.
- (33) Clear and comprehensible information on the right to a bank account with basic features should be provided by Member States and payment service providers to consumers. The information should cover the main features and conditions for using the account and also the steps consumers should follow to exercise their right to open a payment account with basic features. Notably, consumers should be informed that the purchase of additional services is not compulsory in order to access a payment account with basic features.

- (34) Member States should designate competent authorities that are empowered to ensure enforcement of this Directive and that are granted investigation and enforcement powers. Designated competent authorities shall have adequate resources for the performance of their duties. **Competent authorities could act for certain aspects of this Directive by application to courts competent to grant a legal decision, including, where appropriate, by appeal. This could enable Member States, in particular where provisions of this Directive were transposed into civil law, to leave the enforcement of these provisions to the abovementioned bodies and the courts.** Member States should be able to designate different competent authorities in order to enforce the wide ranging obligations laid down in this Directive. **For instance, for some provisions, Member States could designate competent authorities responsible for the enforcement of consumer protection, while for others, they could decide to designate prudential supervisors. The ability to designate different competent authorities should not affect the obligations for ongoing supervision and cooperation between the competent authorities, as foreseen in this Directive.**
- (35) Consumers should have access to effective and efficient out-of-court redress procedures for the settlement of disputes arising out of rights and obligations established under this Directive. Such access is already ensured by Directive 2013/~~11~~/EU insofar as relevant contractual disputes are concerned. However, consumers should also have access to out-of-court redress procedures in the event of -pre-contractual disputes concerning rights and obligations established by this Directive, e.g. when they are denied access to a payment account with basic features. **This Directive therefore provides that consumers should have access to out-of-court redress procedures for the settlement of disputes concerning rights and obligations established by this Directive, without distinguishing between contractual and pre-contractual disputes. Such out-of-court redress procedures and the entities offering them should comply with the quality requirements established by Directive 2013/11/EU.** Compliance with the provisions laid down in this Directive requires the processing of consumers' personal data. Such processing is governed by Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data<sup>6</sup>. The present Directive should therefore comply with the rules established in Directive 95/46/EC and the national laws implementing them.

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<sup>6</sup> OJ L 281, 23.11.1995, p. 31.

- (36) In order to attain the objectives set out in this Directive, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of identifying the standardised terminology at EU level for payment services common to a number of Member States and the related definitions for these terms
- (37) In order to ensure uniform conditions for the implementation of this Directive, implementing powers should be conferred on the Commission. These powers relate to the definition of the format of the fee information document, its common symbol and the order in which the services contained in it shall be presented, as well as to the format of the statement of fees, its common symbol and the order in which the services contained in it shall be presented. These powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers.
- (38) Within three years from entry into force of this Directive and every ~~two~~ three years thereafter, Member States should obtain reliable annual statistics on the functioning of the measures introduced by the present Directive. They should use any relevant sources of information and communicate that information to the Commission.
- (39) A review of this Directive should be carried out five years after its entry into force in order to take account of market developments, such as the emergence of new types of payment accounts and payment services, as well as developments in other areas of Union law and the experiences of Member States. The review should assess whether the measures introduced have improved consumer understanding of payment account fees, the comparability of payment accounts and the ease of switching accounts. It should also determine how many basic payment accounts have been opened including by previously unbanked consumers. It should also assess whether extended deadlines for payment service providers performing cross-border switching are to be maintained for a longer period. Also, it should assess whether the provisions on the information to be provided by payment service providers when offering packaged products are sufficient or whether additional measures are needed. The Commission should submit a report to the European Parliament and the Council accompanied, if appropriate, by legislative proposals.

- (40) This Directive respects fundamental rights and observes the principles recognised by the Charter of the Fundamental Rights of the European Union.
- (41) In accordance with the Joint Political Declaration of Member States and the Commission of 28 September 2011 on explanatory documents<sup>7</sup>, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a Directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified.

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<sup>7</sup> OJ C 369, 17.12.2011, p. 14.



HAVE ADOPTED THIS DIRECTIVE:

## CHAPTER I

### SUBJECT MATTER, SCOPE AND DEFINITIONS

#### *Article 1*

#### **Subject matter and scope**

1. This Directive lays down rules concerning the transparency and comparability of fees charged to consumers on their payment accounts held within the European Union and provided by payment service providers located in the Union and rules concerning the switching of payment accounts within the Union.
2. This Directive also defines a framework for the rules and conditions according to which Member States shall guarantee a right for consumers to open and use payment accounts with basic features in the Union.
3. The opening and use of a payment account with basic features, pursuant to this Directive shall be in conformity with the provisions of ~~Chapter II~~ of Directive 2005/60/EC.
4. This Directive shall apply to payment service providers located in the Union. **Payment service providers that operate solely as online e-payment accounts providers are excluded from the scope of this directive.**

#### *Article 2*

#### **Definitions**

For the purposes of this Directive, the following definitions shall apply:

- (a) ‘consumer’ means any natural person who is acting for purposes which are outside his trade, business, craft or profession;
- (b) ‘payment account’ means an account held in the name of one or more **consumers** ~~payment service users~~ which is used for the execution of payment transactions;

- (ba) **'payment account with basic features' means a payment account provided by a payment service provider to a consumer in line with the provisions in Articles 15 to 19 of this Directive.**
- (c) 'payment service' means a payment service as defined in Article 4(3) of Directive 2007/64/EC;
- (ca) **'related services' mean any financial or non-financial service attached to the opening, maintenance and closing of a payment account or to the provision of payment services.**
- (d) 'payment transaction' means an act, initiated by the payer or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee;
- (e) 'payment service provider' means a payment service provider as defined in Article 4(9) of Directive 2007/64/EC;
- (f) 'payment instrument' means a payment instrument as defined in Article 4(23) of Directive 2007/64/EC;
- (g) 'transferring payment service provider' means the payment service provider from which the information ~~on all or some recurrent payments~~ **required to perform the switching** is transferred;
- (h) 'receiving payment service provider' means the payment service provider to which the information **required to perform the switching** ~~on all or some recurrent payments~~ is transferred;
- (i) 'payer' means a natural or legal person who holds a payment account and allows a payment order from that payment account or, where there is no payer's payment account, a natural or legal person who makes a payment order to a payee's payment account;

- (j) 'payee' means a natural or legal person who is the intended recipient of funds which have been the subject of a payment transaction;
- (k) 'fees' means the charges, if any, payable by the consumer to the payment service provider for the provision of payment services **and related services** ~~or for transactions operated on a payment account~~;
- (l) 'durable medium' means any instrument which enables the consumer ~~or the payment services provider~~ to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored;
- (m) 'switching' means, upon a consumer's request, transferring from one payment service provider to another the information about all or some standing orders for credit transfers, ~~recurring~~ **available** direct debits **mandates** ~~and or~~ recurring incoming credit transfers executed on a payment account, ~~with or without~~ transferring the positive account balance from one payment account to the other or closing the former account;
- (n) 'direct debit' means a **national or cross-border** payment service **for** debiting a payer's payment account, where a payment transaction is initiated by the payee ~~with~~ **on the basis of** the payer's consent;
- (o) 'credit transfer' means a national or cross-border payment service for crediting a payee's payment account with a payment transaction or a series of payment transactions from a payer's payment account by the payment service provider which holds the payer's payment account, based on an instruction given by the payer;
- (p) 'standing order' means ~~a service, crediting at regular intervals a payee's payment account with a series of payment transactions from a payer's payment account, executed by the payment service provider which holds the payer's payment account on the basis of an instruction given by the payer~~ **to the payment service provider which holds the payer's payment account to credit at regular intervals or at predetermined dates a payee's payment account with the payment transactions**;

- (q) 'Funds' means banknotes, and coins, ~~and~~ scriptural money as well as and electronic money as defined in Article 2(2) of Directive 2009/110/EC<sup>8</sup>;
- (r) 'Framework contract' means a payment service contract which governs the future execution of individual and successive payment transactions and which may contain the obligation and conditions for setting up a payment account.
- (s) **'Business day' means a day on which the relevant payment service provider of the payer or the payment service provider of the payee involved in the execution of a payment transaction is open for business as required for the execution of a payment transaction.**

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<sup>8</sup> OJ L 267, 10.10.2009, p. 7.

# CHAPTER II

## COMPARABILITY OF FEES CONNECTED WITH PAYMENT ACCOUNTS

### *Article 3*

#### **List of the most representative payment services and related services subject to a fee at national level and standardised terminology**

1. Member States shall ~~ensure that the competent authorities referred to in Article 20, determine~~ **communicate to the Commission** a provisional list of at least ~~up to 20~~ payment services accounting for at least 80% of the most representative payment services **and related services** subject to a fee at national level **within 12 months of the entry into force of this Directive**. The list shall contain terms and definitions for each of the services identified.
  
2. For the purposes of paragraph 1, the competent authorities shall have regard to the services:
  - (1) most commonly used by consumers in relation to their payment account;
  - (2) which generate the highest cost for consumers per service;
  - (3) which generate the highest overall costs for consumers;
  - ~~(4) which generate the highest profit for payment service providers per service;~~
  - ~~(5) which generate the highest overall profit for payment service providers.~~

The EBA shall develop guidelines pursuant to Article 16 of Regulation (EU) No 1093/2010 to assist the competent authorities **within 6 months of the entry into force of this Directive**.

- ~~3. Member States shall notify to the Commission the provisional lists referred to in paragraph 1 within 6 months of the entry into force of this Directive.~~
4. The Commission shall be empowered to adopt delegated acts, in accordance with Article 24, concerning the setting out, on the basis of the provisional lists submitted pursuant to paragraph ~~3~~1, of an EU standardised terminology for those payment services that are common to at least a majority of Member States. The EU standardised terminology will include common terms and definitions for the common services.
5. After the publication in the Official Journal of the European Union of the delegated acts referred to in paragraph 4, each Member State shall without delay **and at the latest within 2 months** integrate the EU standardised terminology adopted pursuant to paragraph 4 into the provisional list referred to in paragraph 1 and shall publish this list.

#### *Article 4*

#### **Fee information document and glossary**

1. **Without prejudice to Article 42(3) of Directive 2007/64/EC** Member States shall ensure that **in good time** before entering into a contract for a payment account with a consumer, payment service providers provide the consumer with a fee information document **on paper or other durable medium** containing the list of the most representative services referred to in paragraph 5 of Article 3 and the corresponding fees for each service.
2. Where one or more ~~payment~~ services referred to in paragraph 1 is offered as part of a package of financial services, the fee information document shall disclose which of the services referred to in paragraph 1 are included in the package, the fee for the entire package and the fee for any service that is not referred to in paragraph 1.
3. The title "fee information document" shall prominently appear at the top of the first page of the fee information document next to a common symbol to distinguish the document from other documentation.
4. Member States shall ensure that payment service providers make available to consumers a glossary of at least the list of ~~payment~~ services referred to in paragraph 1 and the related definitions.

5. Member States shall establish an obligation for payment service providers ~~to ensure that the glossary~~ **to use terms and definitions as referred to in Article 3(5) in the glossary. The definitions for other terms explaining services provided shall be** is drafted in **easily understandable words and in clear and comprehensible form**, ~~unambiguous and non-technical language.~~
6. The fee information document and the glossary shall be made available ~~free of charge~~ at all times by payment service providers ~~on a durable medium at premises accessible to consumers and shall be made available~~ in electronic form on their websites **and shall be provided on paper free of charge upon the request by a consumer.**
7. ~~The Commission shall be empowered to adopt implementing acts pursuant to Article 26 to~~ **Member States shall** define the format of the fee information document, its common symbol and the order in which the services referred to in paragraph 5 of Article 3 shall be presented in the fee information document.

#### *Article 5*

#### **Statement of fees**

1. **Without prejudice to Articles 47(1)(c) and 48(1)(c) of Directive 2007/64/EC** Member States shall ensure that payment service providers provide the consumer with a statement of all fees incurred on their payment account at least annually **on paper or other durable medium.**

2. The statement referred to in paragraph 1 shall specify the following information:
  - (a) the unit fee charged for each service; **and** the number of times the service was used during the relevant period, ~~and the date on which the service was used~~ **or where the consumer bought different services combined in a package, the fee charged for the package of services and the number of times the package fee was charged during the relevant period;**
  - (b) the total amount of fees incurred for each service **and each package of financial services** provided during the relevant period;
  - (c) the total amount of fees incurred for all services provided during the relevant period.
3. The title "statement of fees" shall prominently appear at the top of the first page of the statement next to a common symbol to distinguish the document from other documentation.
4. ~~The Commission shall be empowered to adopt implementing acts pursuant to Article 26~~ **Member States shall** define the format of the statement of fees, its common symbol and the order in which the services referred to in paragraph 5 of Article 3 shall be presented in the statement of fees.

#### *Article 6*

#### **Contractual and commercial information**

1. Member States shall ensure that in their contractual and commercial information, payment service providers use, where relevant, the terms and definitions contained in the list of the most representative ~~payment~~ services referred to in Article 3, paragraph 5.



2. Payment service providers may use brand names to designate their services in their contractual and commercial information, ~~subject to the condition that they identify, where relevant, the corresponding term in the list referred to in Article 3, paragraph 5. Payment service providers shall not use brand names in the fee information document or~~ **and in the statement of fees, provided this is in addition to standardised terms in the list referred to in Article 3(5).**

#### *Article 7*

#### **Comparison websites**

1. Member States shall ensure that consumers have access to at least one website comparing fees charged by payment service providers for services ~~offered on payment accounts~~ **included in the list referred to in Article 3(5)** at national level in accordance with paragraphs 2 and 3.
2. Member States shall establish a voluntary accreditation scheme for websites comparing fees charged by payment service providers for services offered on payment accounts operated by private operators. In order to be granted accreditation, comparison websites operated by private operators shall:
- (a) be operationally independent of any payment service provider;
  - (b) use plain language and, where relevant, the terms referred to in Article 3, paragraph 5;
  - (c) provide up-to-date information;
  - (d) provide a sufficiently broad overview of the payment accounts market;
  - (e) ~~operate an~~ **provide an** effective enquiry and complaints handling procedure **to report incorrect information on published fees.**

3. Where no website is accredited pursuant to paragraph 2, Member States shall ensure that a website operated by the competent authority referred to in Article 20 or any other competent public authority is established. Where a website has been accredited pursuant to paragraph 2, Member States may decide to establish an additional website operated by the competent authority referred to in Article 20 or any other competent public authority. Websites operated by a competent authority pursuant to paragraph 1 shall comply with paragraphs 2 (a) to (e).
4. Member States shall retain the right to refuse or withdraw accreditation from private operators in the event of a failure to comply with the obligations in paragraph 2.
5. Member States shall ensure that adequate information about the websites referred to in paragraph 1 is available to consumers. This shall include, where relevant, the maintenance of a publicly accessible register of accredited comparison websites.

#### *Article 8*

#### **Packaged accounts**

1. Member States shall ensure that when a payment account is offered together with another service or product as part of a package, the payment service provider informs the consumer of whether it is possible to buy the payment account separately and, **if this is the case,** provides separate information regarding the costs and fees associated with each of the products and services offered in the package.
2. Paragraph 1 does not apply when only payment services as defined in Article 4(3) of Directive 2007/64/EC are offered together with a payment account.
3. **When the consumer reaches the agreed limit of payment transactions included in the package, he should be informed before the last payment transaction of the fact the limit is reached, and of the fee per unit that will be charged for following payment transactions.**

## CHAPTER III

### SWITCHING

#### *Article 9*

#### **Provision of the switching service**

Member States shall ensure that payment service providers provide a switching service as described in Article 10 to any consumer who holds a payment account with a payment service provider located in the Union.

#### *Article 10*

#### **The switching service**

1. Member States shall ensure that the switching service is initiated by the receiving payment service provider **at the request of the consumer** and provided in accordance with the rules set out in paragraphs 2 to 7.
2. ~~The switching service shall be initiated by the receiving payment service provider. The receiving payment service provider shall request written authorisation from the consumer to perform the switching service~~ **after receiving the written authorisation from the consumer and opening of the new account**. The authorisation shall allow the consumer to provide specific consent to the transferring payment service provider to perform each of the tasks indicated in paragraphs 3(e) and 3(f) and to provide specific consent to the receiving payment service provider to perform each of the tasks indicated in paragraphs 4(e), 4(d) and 5. The authorisation shall allow the consumer to specifically **identify the standing orders for credit transfers and the direct debit mandates that shall be switched**. ~~request the transmission by the transferring payment service provider of the information indicated in paragraphs 3(a) and 3(b). The authorisation shall also specify the date from which recurrent payments~~ **standing orders for credit transfers and direct debits** are to be ~~operated~~ **executed** from the account opened with the receiving payment service provider.

3. Within one business day from the receipt of the authorisation **and opening a new account as** referred to in paragraph 2, the receiving payment service provider shall request the transferring payment service provider to carry out the following tasks:
- (a) transmit to the receiving payment service provider and, if specifically requested by the consumer ~~pursuant to paragraph 2~~, to the consumer a list of ~~all~~ **the** existing standing orders for credit transfers and ~~debtor-driven~~ **available** direct debit mandates **that are being switched**;
  - (b) transmit to the receiving payment service provider and, if specifically requested by the consumer ~~pursuant to paragraph 2~~, to the consumer the available information about incoming credit transfers and ~~creditor-driven~~ direct debits executed on the consumer's account in the previous 13 months;
  - (c) transmit to the receiving payment service provider any additional information deemed necessary **on well-founded operational grounds** by the receiving payment service provider to perform the switch;
  - (d) where the transferring payment service provider does not provide a system for automated redirection of the ~~standing orders~~ **incoming credit transfers** and direct debits to the account held by the consumer with the receiving payment service provider, ~~cancel standing orders and stop accepting~~ **incoming credit transfers and** direct debits ~~on~~ **from** the date specified in the authorisation;
  - (d1) **cancel standing orders from the date specified in the authorisation**;
  - (e) ~~where the consumer gave specific consent pursuant to paragraph 2~~, transfer any remaining positive balance to the account opened or held with the receiving payment service provider on the date specified by the consumer; and
  - (f) ~~where the consumer gave specific consent pursuant to paragraph 2~~, close the account held with the transferring payment service provider on the date specified by the consumer.

**3a. Upon receipt of a request from the receiving payment service provider acting under the authorisation from the consumer, the transferring payment service provider shall carry out the following tasks, where applicable:**

- (a) send the receiving payment service provider the information indicated in points (a), (b) and (c) of paragraph 3 within 5 business days;**
- (b) where the transferring payment service provider does not provide a system for automated redirection of the ~~standing orders~~incoming credit transfers and direct debits to the account held by the consumer with the receiving payment service provider, ~~cancel any standing orders and stop accepting incoming credit transfers and direct debits on the payment account~~from the date specified in the authorisation;**
  - (b1) cancel standing orders from the date specified in the authorisation;**
- (c) transfer the remaining positive balance from the payment account to the account held with the receiving payment service provider on the date specified in the authorisation;**
- (d) close the payment account on the date specified in the authorisation if the consumer has no outstanding obligations on this account;**
- (e) carry out any additional tasks necessary for performing the switching service, pursuant to paragraph 5.**

4. Upon receipt of the information requested from the transferring payment service provider referred to in paragraph 3, the receiving payment service provider shall **within 5 business days** carry out the following tasks-**as and if provided in the authorisation:**

- (a) set up ~~within seven calendar days~~ the standing orders for credit transfers requested by the consumer and execute them from the date specified in the authorisation;
- (b) **prepare to** accept **and accept** direct debits from the date specified in the authorisation;

- (c) ~~where the consumer gave specific consent pursuant to paragraph 2,~~ inform payers **specified in the authorisation and** making recurrent credit transfers into a consumer's payment account of the details of the consumer's account with the receiving payment provider. If the receiving payment service provider does not have all the information it needs to inform the payer, it shall ask the consumer or the transferring payment service provider to provide the missing information;
- (d) ~~where the consumer gave specific consent pursuant to paragraph 2,~~ inform payees **specified in the authorisation and** using a direct debit to collect funds from the consumer's account of the details of the consumer's account with the receiving payment service provider and the date from which direct debits shall be collected from that account. If the receiving payment service provider does not have all the information it needs to inform the payee, it shall ask the consumer or the transferring payment service provider to provide the missing information;
- (e) where the consumer chooses to personally provide the information indicated in points (c) and (d), provide the consumer with standard letters providing details of the new account and the starting date indicated in the authorisation.

5. Where the consumer gave specific consent pursuant to paragraph 2, the receiving payment service provider may carry out ~~any~~ additional tasks necessary for the performance of the switch.

6. ~~Upon receipt of a request from the receiving payment service provider, the transferring payment service provider shall carry out the following tasks:~~

~~(a) send the receiving payment service provider the information indicated in points (a), (b) and (c) of paragraph 3 within seven calendar days of receiving the request;~~

~~(b) where the transferring payment service provider does not provide a system for automated redirection of the standing orders and direct debits to the account held by the consumer with the receiving payment service provider, cancel any standing orders and stop accepting direct debits on the payment account on the date requested by the receiving payment service provider;~~

- ~~(c) transfer the remaining positive balance from the payment account to the account held with the receiving payment service provider;~~
- ~~(d) close the payment account;~~
- ~~(e) carry out any additional tasks necessary for performing the switch, pursuant to paragraph 5.~~
7. Without prejudice to Article 55(2) of Directive 2007/64/EC, the transferring payment service provider shall not block payment instruments before the date **specified in the authorisation from the consumer**~~agreed with the receiving payment service provider.~~
8. [Member States shall ensure that the provisions contained in paragraphs 1 to 7 also apply when the switching service is initiated by a payment service provider located in another Member State **starting from 2 years after the term indicated in Article 28(2)**.
9. In the case indicated in paragraph 8, the deadlines indicated in paragraphs 3, **3a and 4** ~~and 6~~ shall be doubled. The present provision shall be subject to review pursuant to Article 27.]

#### *Article 11*

#### **Fees connected with the switching service**

1. Member States shall ensure that consumers are able to access their personal information regarding existing standing orders and direct debits held by either the transferring or the receiving payment service provider free of charge.
2. Member States shall ensure that the transferring payment service provider provides the information requested by the receiving payment service provider pursuant to paragraph ~~6~~**3a** (a) of Article 10 without charging the consumer or the receiving payment service provider.
3. Member States shall ensure that fees, if any, applied by the transferring payment service provider to the consumer for the termination of the payment account held with it are determined in accordance with Article 45(2), **(4) and (6)** of Directive 2007/64/EC.

4. Member States shall ensure that fees, if any, applied by the transferring or the receiving payment service provider to the consumer for any service provided under Article 10, other than those referred to in paragraphs 1 to 3, shall be appropriate and in line with the actual costs of that payment service provider.

#### *Article 12*

#### **Financial loss for consumers**

1. Member States shall ensure that any financial loss incurred by the consumer resulting from the **intentional and negligent** non-compliance of a payment service provider involved in the switching process with its obligations under Article 10 is refunded by that payment service provider.
2. **Member States shall insure that** ~~C~~consumers ~~shall~~ **do** not bear any financial loss resulting from **intentional and negligent** mistakes or delays in updating their payment account details by a payer or payee.
3. **Member States shall ensure that liability with respect to paragraphs 1 and 2 is established in accordance with the applicable legislation at national level.**

#### *Article 13*

#### **Information about the switching service**

1. Member States shall ensure that payment service providers make available to consumers **at least** the following information about the switching service:
  - (a) the roles of the transferring and receiving payment service provider for each step of the switching process, as indicated in Article 10;
  - (b) the timeframe for completion of the respective steps;
  - (c) the fees, if any, charged for the switching process;
  - (d) any information that the consumer will be asked to provide;
  - (e) the alternative dispute resolution procedures scheme referred to in Article 21.



2. The **free of charge** information shall be ~~provided~~ **made available** ~~free of charge~~ on a durable medium at all ~~branches~~ **premises** of the payment service providers accessible to consumers and be available in electronic form on their websites at all times **and shall be provided for consumers intending to use switching services.**

# CHAPTER IV

## ACCESS TO PAYMENT ACCOUNTS

### *Article 14*

#### **Non-discrimination**

Member States shall ensure that consumers legally resident in the Union are not discriminated against by reason of their nationality or place of residence when applying for or accessing a payment account within the Union.

### *Article*

15

#### **Right of access to a payment account with basic features**

1. Member States shall ensure that ~~at least one~~ payment service providers, **offering payment account services to consumers in the retail market, provide** ~~in their territory offers a~~ payment accounts with basic features to consumers **in their territory**. Member States shall ensure that payment accounts with basic features are not only offered by payment service providers that provide the account solely with online banking facilities.
2. Member States shall ensure that consumers legally resident in the Union have the right to open and use a payment account with basic features ~~with the payment service provider or providers identified pursuant to paragraph 1.~~ Such a right shall apply irrespective of the consumer's place of residence. Member States shall ensure that the exercise of the right is not made excessively difficult or burdensome for the consumer. Before opening the payment account with basic features, payment service providers ~~may~~ **shall** verify whether the consumer holds or does not hold a payment account in their territory. **Payment service providers may rely on self-certification by consumers for this purpose.**
3. **Member States shall ensure that payment service providers offering payment accounts with basic features decide on a consumer's request for access to a payment account with basic features without undue delay and at the latest within two weeks from the date of the request.** Payment services providers **that offer payment accounts with basic features** may not refuse an application for access to a payment account with basic features except in the following cases:

- (a) ~~Where~~ **where** a consumer already holds a payment account, with a payment service provider located in their territory, which allows him to make use of the payment services listed in Article 16~~7~~(1), **unless when a consumer declares that he has received notice that a payment account will be closed or when a new account is being opened for account switching purposes;**
- (b) where **a payment service provider would fail to meet its obligations in relation to the prevention of money laundering and the countering of terrorist financing as** ~~the conditions established by Chapter II of Directive 2005/60/EC;~~ ~~are not satisfied.~~
- (c) **where a consumer has provided false information in order to obtain a payment account with basic features and where the correct information would have resulted in the absence of such a right;**
- (d) **where a customer is not in compliance with any other requirement established by a Member State and commonly used in contracts for the opening of a payment account in that Member State.**
4. Member States shall ensure that, in the cases indicated in paragraph 3, the payment service provider immediately **after its decision** informs the consumer of the refusal, in writing and free of charge, unless such disclosure would be contrary to the objectives of national security or public policy. **The refusal shall advise consumers of the procedure to appeal against the refusal, their right to contact the relevant competent authority and designated alternative dispute resolution body with their contact details.**
5. Member States shall ensure that, in the cases indicated in paragraph 3(b), the payment service provider adopts appropriate measures pursuant to ~~Chapter III of Directive 2005/60/EC.~~
6. Member States shall ensure that access to a payment account with basic features is not made conditional on the purchase of additional services **and that the features of the payment account with basic features are same as the ones for other payment accounts.**

*Article 16*

**Characteristics of a payment account with basic features**

1. Member States shall ensure that a payment account with basic features includes the following ~~payment~~ services:
  - (a) services enabling all the operations required for the opening, operating and closing of a payment account;
  - (b) services enabling money to be placed on a payment account **according to the facilities available to the consumers;**
  - (c) services enabling cash withdrawals within the Union from a payment account **according to the facilities available to the consumers;**
  - (d) execution of the following payment transactions within the Union **where available:**
    - (1) direct debit;
    - (2) payment transactions through a payment card, including online payments;
    - (3) credit transfers.

**Member States may establish the obligation for payment service providers to provide additional services, which are considered essential for consumers based on common practice at the national level, with a payment account with basic features.**

2. Member States shall determine, for all the services referred to in paragraph 1, a minimum number of operations which will be provided to the consumer for the fee, if any, referred to in Article 17. The minimum number of operations shall be reasonable and in line with the common commercial practice in the Member State concerned.
3. Member States shall ensure that the consumer is able to manage and initiate payment transactions from the consumer's payment account with basic features via the payment service provider's online banking facilities, where available.

4. Member States shall ensure that **an overdraft facility, if any, is allowed only to a limited extent and for a limited period,** ~~the consumer is not offered any overdraft facilities in conjunction with the payment account with basic features.~~

*Article 17*

**Associated fees**

1. Member States shall ensure that the services indicated in Article 16 are offered by payment service providers free of charge or for a reasonable fee.
2. Member **States** ~~states~~ shall ensure that the fees charged to the consumer for non-compliance with the consumer's commitments laid down in the framework contract are reasonable .
3. Member States shall ensure that **reasonable fees are** ~~the competent authorities established~~ **what constitutes a reasonable fee** **taking into account** ~~according to one or several of the following criteria:~~
- (a) national income levels;
  - (b) average **fees charged by payment service providers** ~~associated with payment accounts in that Member State~~ **for services provided on payments accounts;**
  - (c) ~~total costs relating to the provision of the payment account with basic features;~~
  - (d) ~~national consumer prices.~~

**Member States shall ensure that the amount and duration of overdraft facility offered in relation to a payment account with basic features are defined.**

4. **Within 6 month of the entry into force of this Directive,** ~~The~~ **the** EBA shall develop guidelines pursuant to Article 16 of Regulation (EU) No 1093/2010 to assist the **Member States** ~~competent authorities.~~

*Article 18*

**Framework contracts and termination**

1. Framework contracts providing access to a payment account with basic features shall be subject to the provisions of Directive 2007/64/EC unless otherwise specified in paragraphs 2 and 3.
  
2. The payment service provider may unilaterally terminate a framework contract where at least one of the following conditions is met:
  - (a) **the payment service provider has an objectively justified reason to suspect that** the consumer deliberately used the account for criminal activities;
  
  - (b) there has been no transaction on the account for more than ~~12~~**24** consecutive months;
  
  - (c) the consumer knowingly provided incorrect information in order to obtain the payment account with basic features where the correct information would have resulted in the absence of such **a** right;
  
  - (d) the consumer is no longer legally resident in the Union or has subsequently opened a second payment account in the Member State where he already holds a payment account with basic features.

**2a Member States may identify additional cases for terminating a framework contract for a payment account with basic features, in accordance with the laws and common commercial practices applicable at the national level.**

3. Member States shall ensure that where the payment service provider terminates the contract of a payment account with basic features **on the grounds mentioned in points (b), (c) and (d) of paragraph 2**, it informs the consumer of the grounds and the justification for the termination at least 2 months before the termination enters into force, in writing and free of charge **unless such disclosure would be contrary to the objective of national security or public policy. Where the payment service provided terminates the contract in accordance with paragraph 2 (a), it shall be terminated immediately.**

**The notification shall advise consumers of the procedure to appeal against the refusal if any, of their right to contact the competent authority and designated alternative dispute resolution body with their contact details.**

#### *Article 19*

#### **General information on payment accounts with basic features**

1. Member States shall ensure that measures are in place to raise awareness among the public about the availability of payment accounts with basic features, their **general** pricing conditions, the procedures to be followed in order to exercise the right to access payment accounts with basic features and the methods for having access to **an** alternative resolution for the settlement of disputes.
2. Member States shall ensure that payment service providers make available to consumers information **free of charge** about the specific features of the payment account with basic features on offer, their associated fees and their conditions of use. Member States shall also ensure that ~~the consumer is informed~~ **the information makes clear** that the purchase of additional services is not compulsory to access a payment account with basic features.

# CHAPTER V

## COMPETENT AUTHORITIES AND ALTERNATIVE DISPUTE RESOLUTION

### *Article 20*

#### **Competent authorities**

1. Member States shall designate competent authorities to ensure and monitor effective compliance with this Directive. Those competent authorities shall take all necessary measures to ensure such compliance. They shall be independent from payment service providers. They shall be **either:**
  - (i) competent authorities within the meaning of Article 4(2) of Regulation 1093/2010, or
  - (ii) **bodies recognised by national law or by public authorities expressly empowered for that purpose by national law.**
  
2. The authorities referred to in paragraph 1 shall possess all the powers necessary for the performance of their duties. Where more than one competent authority is empowered to ensure and monitor effective compliance with this Directive, Member States shall ensure that those authorities collaborate closely so that they can discharge their respective duties effectively.
  
3. Member States shall notify the Commission of the designated competent authorities referred to in paragraph 1 by ~~one year~~ **18 months** after entry into force of this Directive. They shall inform the Commission of any division of duties of those authorities. They shall immediately notify the Commission of any subsequent change concerning the designation and respective competences of those authorities.



*Article 21*

**Alternative Dispute Resolution**

Member States shall ensure that consumers have access to effective and efficient out-of-court redress procedures for the settlement of disputes concerning rights and obligations established under this Directive. **Such out-of-court redress procedures and the entities offering them shall comply with the quality requirements established by Directive 2013/11/EU.**

## CHAPTER VI

### SANCTIONS

#### *Article 22*

#### **Administrative measures and sanctions**

**Without prejudice to the supervisory powers of competent authorities and the right of Member States to provide for and impose criminal sanctions, Member States shall lay down rules establishing appropriate administrative sanctions and measures applicable to situations which constitute a breach of the provisions of this Directive and shall take all necessary measures to ensure that they are implemented. Those sanctions and measures** ~~Member States shall lay down the rules on administrative measures and sanctions applicable to breach of the national provisions adopted pursuant to this Directive and shall take all measures necessary to ensure that they are implemented. Such administrative measures and sanctions shall be effective, proportionate and dissuasive.~~

**Member States may decide not to lay down rules for administrative sanctions according to paragraph 1 where those breaches are subject to criminal sanctions in their national law.**

## CHAPTER VII

### FINAL PROVISIONS

#### *Article 23*

#### **Delegated acts**

The Commission shall be empowered to adopt delegated acts in accordance with Article 24 concerning Article 3(4).

#### *Article 24*

#### **Exercise of the delegation**

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The delegation of power referred to in Article 23 shall be conferred for an indeterminate period of time from the date of entry into force of this Directive.
3. The delegation of powers referred to in Article 23 may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 23 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or the Council.

*Article 25*

**Implementing acts**

- ~~1. For the adoption of implementing acts under Article 4 and 5, the Commission shall be assisted by the European Banking Committee established by Commission Decision 2004/10/EC. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.~~
- ~~2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.~~

## Article 26

### Evaluation

Member States shall provide the Commission with information on the **compliance with the provisions contained in this Directive** following ~~matters~~ for the first time within 3 years from entry into force of this Directive and every ~~2~~**3** years thereafter:

- (a) compliance by payment service providers with the provisions in Articles 3 to 6;
- (b) the number of accredited comparison websites established pursuant to Article 7;
- (c) the number of payment accounts that have been switched, ~~the average fee charged for switching, the number of refusals to switch.~~
- (d) the number of payment accounts with basic features opened, ~~the number and grounds for refusal and the associated charges.~~

## Article 27

### Review clause

1. The Commission shall present to the European Parliament and the Council, within five years of entry into force of this Directive, a report on the application of this Directive accompanied, if appropriate, by a proposal.
2. The review shall assess, based also on the information received from Member States pursuant to Article 26, whether to amend and update the list of services that are part of a payment account with basic features, having regard to the evolution of means of payment and technology.
3. The review shall also assess whether the extended deadlines established in Article 10(9) shall be maintained for a longer period of time and whether additional measures in addition to those adopted pursuant to Article 7 and 8 with respect to comparison websites and packaged offers are needed.

*Article 28*

**Transposition**

1. Member States shall adopt and publish, by [~~one year~~ **18 months** after entry into force of this Directive] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.
2. They shall apply those provisions from ~~one year~~ **30 months** after entry into force of this Directive.
3. When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.
4. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

*Article 29*

**Entry into force**

This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

*Article 30*

**Addressees**

This Directive is addressed to the Member States in accordance with the Treaties.

Done at Brussels,

*For the European Parliament*

*For the Council*

*The President*

*The President*