

CALL FOR EQUAL TREATMENT OF ACTORS WHEN ACCESSING CONSUMER PAYMENT ACCOUNTS

Position paper – Executive summary

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The European Savings and Retail Banking Group (ESBG) welcomes the opportunity to respond to the public consultation from the European Banking Authority (EBA) on the amendment of its Regulatory Technical Standards (RTS) on Strong Customer Authentication and Secure Communication (SCA&CSC) under the Payment Services Directive (PSD2) with regard to 90-day exemption from SCA for account access.

BANKS PROVIDE USER-FRIENDLY SCA METHODS

ESBG and its members strongly disagree with the EBA's claim that banks fail to provide user-friendly Strong Customer Authentication (SCA) methods and that its application often causes friction in the customer journey. Instead, ESBG calls for equal treatment of actors when accessing consumer payment accounts. Taking into account that:

- The RTS on SCA & CSC establish the requirements and security measures for strong customer authentication that payment service providers (PSPs) such as banks must comply with inter alia when customers want to access their payment accounts in accordance with Article 97 PSD2.
- The RTS also provide for exemptions from the application of SCA, subject to specified and limited conditions, inter alia based on the level of risk.
- The decision to exempt the application of SCA within the limits of the regulation is solely based on the risk-assessment of the banks, who are ultimately responsible vis-à-vis their customers.

Therefore, the proposed mandatory exemption contradicts Article 1 of the RTS on SCA & CSC. Additionally, Article 97(1) PSD2 stipulates that PSPs shall apply SCA in certain situations and Article 98(1) PSD2 gives the EBA the mandate to define exemptions from the application of SCA. This however does not give the EBA the mandate to make the exemption mandatory as that would rather represent the annulment of Article 97 on SCA requirements.

THE PRINCIPLE OF EQUIVALENCE OF TREATMENT DOES NOT JUSTIFY THE CHANGE

Further, a mandatory exemption to SCA would severely violate the principle of equivalence of treatment. The amendment proposed by the EBA is not technology neutral.

ESBG and its members believe there is no material evidence identifying a need for the proposed change. The current RTS on SCA & CSC have been in force for only two years and it took almost a year for banks to initiate aggregation activity in the dedicated interface and use of 90-day exemption. For that reason, an exhaustive analysis would be necessary as a first step. That analysis must also evaluate if such change could impact the level of consumer protection and assess whether the proposal would ensure trust in all types of PSP is maintained.

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