



## European Banking Industry Committee

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European Banking Federation (EBF) • European Savings and Retail Banking Group (ESBG) • European Association of Co-operative Banks (EACB) • European Mortgage Federation (EMF) • European Federation of Building Societies (EFBS) • European Federation of Finance House Associations (Eurofinas)/European Federation of Leasing Company Associations (Leaseurope) • European Association of Public Banks (EAPB)

22 December 2016

# EBiC Response to the EBA Consultation (EBA/CP/2016/13) on draft Technical Standards under Directive 2014/92/EU [Payment Accounts Directive]

## GENERAL REMARKS

- **A simple, short document, easily identifiable and consumer-friendly**

The Payment Accounts Directive (PAD) requires the Fee Information Document (FID) and the Statement of Fees (SoF) to be a brief and short. It is expressly stated in the PAD that the FID (Article 4 (2)) and the SoF (Article 5 (3)) should be “presented and laid out in a way that is clear and easy to read”. The aim is to make it easy for the consumer to rapidly get an overview and to facilitate comparisons. The consumer must easily be able to distinguish different kinds of services and what is included in each service. It is key to avoid that the consumer gets confused or wrongly compare the prices of different market actors’ services when in fact the services differ in functionality and content.

On the format, in our view the EBA has had an extensive interpretation of its mandate. There is a need to be able to explain the features of the services, the current differing prices for one and the same service depending on the channel used etc. The focus must be on making the FID and SoF consumer friendly, clear and transparent rather than focusing on the space to be used. We believe that a too formalistic and prescriptive approach regarding the format used would be counterproductive.

For example, we feel that the overemphasis on headings and categorisation through grey shading and a large font size prevent consumers from quickly taking in the numbers. The SoF layout also creates a contradiction as to what is relevant by overemphasising categories, while shrinking and under-emphasising client data. The layout also fails to differentiate between various hierarchies, making it harder for consumers to obtain any clear orientation. The excessively large font size also leads to higher paper consumption, especially when a lot of information is required (e.g. when reporting changes to interest charges on overdrafts and interest payments on balances).

Payment Service Provider (PSPs) today already use standardised and consumer-friendly forms of client information (e.g. current account/custody account statement) based on their own corporate design, meeting the existing client information requirements also where they use smaller font sizes and other formats

We therefore recommend to limit adding too much restrictions on the format (size, font etc.) and leave certain flexibility to PSPs.

In addition, information should be clearly identifiable as coming from a specific PSP and that the FID and the SoF are an EU standardised information sheet.

Having the symbol constituted of the acronyms of the Fee Information Document with EU acronyms would facilitate the distinction between EU and the national one (e.g. EU-FID). Otherwise many consumers will not be aware of the symbol and may not understand why besides the bank's normal price list they also receive the FID.

- **An environmental friendly paper which preserves the resources and save costs**

Currently the European Banking Authority's suggestion is to propose mandatory layout specifications (e.g. font size) ultimately mean that the printed SoF – whether generated by the bank or the client – calls for more pages than are required to comply with the PAD requirements or achieve the regulatory aim pursued by these (clear and comparable information).

Based on the proposed SoF specifications in the consultation document, EBIC Members estimate that a statement issued annually for each client would be at least three pages long. This leads to increased paper consumption, especially with clients who use many different services that must be reported under existing regulation. If, for example, the annual SoF were to be printed for just half of the approximately 688 million bank account holders in the EU (ECB Blue Book 2014), the result would be around 1,000 million pages. By way of illustration: 1 packet of 500 sheets of paper is 5 cm thick, so the required 2 million packets (each containing 500 sheets) would create a stack that would be 100 km high.

The EU Institutions are firmly committed to the aim of a “resource-efficient Europe”. With this in mind, sustainability is an aspect that should be taken more strongly into account when designing the standardised presentation format of the fee information document (FID) and the standardised presentation format of the statement of fees (SoF).

To preserve resources and save costs, the requirements for the standardised formats should therefore be reviewed and streamlined.

- **Entry into force and consistency in the approach with other legislations**

According to Article 6 (1) of the PAD, Member States must “ensure that in their contractual, commercial and marketing information to consumers, payment service providers use, where applicable, the standardised terms set out in the final list referred to in Article 3(5)” of the PAD. This leads to extremely high implementation costs for payment service providers. Considering that this also holds true for implementation of the requirements set by the Second Payment Services Directive (PSD2), particular attention should be paid to concurrent entry into force.

It is important in our views to ensure further consistency in the approach between the various legislations which should enter into force shortly: for example the revised Markets in Financial Instruments Directive (MiFID 2) or the revised Payment Services Directive (PSD 2).

A coordinated approach with other legislative requirements would be beneficiary for the consumer in order for him/her to get a better overview of the initiated changes to the contractual relationship (same contracts, conditions or document). It would notably avoid having the customer to be overloaded by an extensive amount of papers and information at different moments when they could be displayed together.

In addition, considering the need to adapt the IT systems of payment services provider to be fully compliant with the information requirements of the PAD, the EBIC would welcome an extension of the implementation period to allow the industry to adapt to those new requirements.

It should also be remembered that a statement of fees must be generated at the end of a contractual relationship as well. The timeline for application of the Directive should therefore allow adequate lead time for technical implementation and “collection” of fees paid by each client. Concurrent entry into force with PSD 2 would also be beneficial to consumers, as they would not be confronted several times with legally initiated (PSD2-related) changes to the contractual relationship with their payment service providers, especially to the same contracts, conditions or documents.

Further consideration should also be given to stabilising the implementation of the mentioned Directives, and afterwards proceed with the integration of these RTS/ITS.

We would therefore suggest that all three Technical Standards shall enter into force six months following their publication in the Official Journal of the European Union.

- **Own and third-party fees – remove legal uncertainty**

It is our understanding that only fees originated by the payment service provider have to be displayed in the FID and SoF. To avoid any legal uncertainty, it should be made clear in the delegated act on the FID and the SoF that (mostly unknown) third-party fees do not have to be displayed.

## EBIC RESPONSE:

### I. UNION STANDARDISED TERMINOLOGY OF THE MOST COMMON SERVICES LINKED TO A PAYMENT ACCOUNT

#### Question 1: Do you agree with the EBA's decision to take a broad approach to defining 'service'? Please explain your reasoning.

According to Article 1 (6) of the Payment Accounts Directive 'services linked to the payment account' means *"all services related to the opening, operating and closing of a payment account, including payment services and payment transactions falling within the scope of point (g) of Article 3 of Directive 2007/64/EC and overdraft facilities and overrunning;"*

We acknowledge the difficulties that the European Banking Authority encountered in the identification of the most common services due to the general definition of 'service' provided in the PAD and the different approaches taken by national authorities: some considering that a "service" is consisting of a number of sub-services, whereas other national authorities considered them to be separate services in their own right (e.g. provision of a bank account statement, of access to online banking, the way in which services and fees are linked in particular regarding overdrafts) or some using different level of details when determining what constitutes a 'service' (e.g. credit transfers, cash withdrawal).

We recognise the benefits that the EBA asserts to the broad approach to defining "service" given the need to overcome legal and language particularities. We however believe that the aim of the Directive in proposing to select a number of core services, is to allow a better understanding of the services provided at EU level and facilitate their comparability. The consumer must easily be able to distinguish different kinds of services and what is included in each service.

The decision on whether to adopt option A or option B should derive from a broader overview on the number of information documents / statements clients will receive from each PSP as a result of the enactment of the legislation.

Since the PAD does not clarify which services specifically constitute a 'service' in the context of the Directive and given the differences in services and related pricing structures that exist between payment services providers (PSPs) and between Member States (MS), it seems quite straightforward that - as a result - national authorities took different approaches in defining their respective provisional lists of the most representative services linked to a payment account and subject to a fee.

In such a heterogeneous context, the broad approach, that looks at the core of the definition, regardless of any specific types or sub-categories which may be referred to on some provisional lists, allows to identify a higher number of most common services compared to the narrow approach (although the narrow approach - by taking into account the specificities of each service – allows to distinguish the services at a more granular level). This in turn should ensure that the Directive's aim of increasing comparability is achieved for the widest possible number of services.

Option A will provide a pan European list of services that Member States can adapt to their national practice. It will for example allow to consolidate the FID with existing, national pre-contractual information documents. We therefore welcome the EBA's rationale for taking a broad approach.

However, as recognised by the EBA, we believe this option could present some challenges for MS in their task of integrating, in the next step of the process, the final Union standardised terminology into their respective provisional lists, as required in Article 3 (5) of the Directive, because in several countries the integration might not be a straightforward task of replacing the national term by the standardised one.

In addition, option A may lead to an overly detailed document and a longer list of services at national level which could be confusing for the consumer.

We therefore believe that it is too early to say if this selection of services will achieve the Directive's objectives of enhancing transparency and comparability as it highly depends on the approach that MS will choose for the integration in the national list. More than the selection of services it's the integration approach chosen by the national authorities that will be essential.

## **Question 2: Do you consider the services that the EBA has selected for standardised terms and definitions to be suitable to achieve the aims of the Directive? Please explain your reasoning.**

The EBIC and its Members acknowledge that the 8 services retained by the EBA were individually identified by an average of 76% of Member States and based on the frequency of services included by national authorities and the number of time services appeared in Member States' provisional lists.

We welcome the decision of the EBA not to treat the various combinations of online banking with other services as constituting the same service. We share the view of the EBA that a standardised definition in this case would not result in more transparency and true comparability for consumers.

However, considering that the resulting integration of the Union standardised terminology into each National provisional list may be challenging, we believe that some degree of flexibility should be provided in the definition of those terminologies. For example, it would be possible to use the harmonized definition as the core and add a short complementary text to clarify national specificities. The complementary text safeguards the harmonized definition and preserves national specific definitions /terminologies.

In addition, in our views, some services that the EBA has selected for standardised terms and definitions are not adapted to the common practices at EU level, integrating those services which are not all commonly used at EU level in the standardised terms and definitions could lead to misleading interpretation in the definition of the services and in their comparison, by presenting some services available in certain countries as comparable when they are not (for example the '*provision of a credit card with the payment account*' and the reference to '*overdraft on a payment account*' which correspond to services and practice available in certain Member States but not in others or under other conditions).

In reference to article 3.5 from the PAD it should be therefore clarified that the Union standardised terminology established by the EBA should be integrated to the national list but should not impose as a basic service linked to a bank account which does not exist at national level (e.g. overdraft). It means that it concerns only the integration of standardised terms for services already included in the national provisional list. MS which are not concerned by certain services should not be obliged to integrate them in their national list.

### **SUGGESTION FOR AMENDMENT:**

#### **NEW Recital 2 Bis**

*In reference to Article 3 (5) from the PAD it should be clarified that the national authorities will be able to amend the term and definition on the provisional national list with respect to the words used in the core term and definition in the EBA RTS. This implies only selecting the word of the term and definitions already included the national provisional list and replace them with the EU standardised term. This methodology will allow to reflect on the market specificities. This approach can be done by means of a simple change of words.*

(See response to question 3 for more details)

**Question 3: Do you consider the drafting decisions taken by the EBA for the standardised terms and definitions, and the resultant provisions in Recitals of the draft RTS, to be suitable for achieving the aims of the Directive of enhancing transparency and comparability? Please explain your reasoning.**

We consider that the drafting decisions taken by the EBA for the standardised terms and definitions - which should be accessible to consumers and, as far as possible, drafted in a clear and simple way so as to help them easily compare services at EU level - are suitable for achieving the aims of the Directive.

However, the EBIC Members have a number of concerns on some of the terms and definitions chosen as these do not reflect national approaches to using terms and definitions. Some definitions have to be clarified or even corrected (see answer Q4).

Given that these concerns are more linked to the specificities of each country, these issues are also addressed separately by EBIC members.

#### **GENERAL COMMENTS**

- The EBIC supports the approach of the EBA regarding the drafting of the definitions which should be based on a more **consumer friendly language rather than a legalistic terminology** which will make the comparison of services accessible to customers.

We however agree with the EBA that this approach can only be a guiding principle as there might be situations in which the Union standardised terminology will have to depart from this principle and be specific enough to ensure legal certainty for consumers and PSPs alike.

- According to Article 3 of the PAD, standardised terms and definitions shall be established for the **most representative services linked to a payment account** and subject to a fee. The link to the payment account should therefore be made clear in all terms and definitions to avoid confusion.
- The EBIC is concerned by the challenge the Member States may face for their task of integrating, in the next step of the process, the standardised terms and definitions as required in Article 3(5) of the Directive, because in several cases the integration will not be a straightforward task of replacing the national term by the standardised one.

Notwithstanding the EBA's work on a valid solution to achieve the Directive's goals, the process of integrating the standardised terms and definitions into the national provisional lists will have to be aligned with the perceived average literacy of consumers and their capacity to understand the language and meaning of those terms and definitions.

In paragraph 50 it is stated that the definitions should focus on the service itself rather than defining precisely what is meant by the constituent elements of the service. The EBIC agrees with this approach but wishes to stress that, even if the EBA underlined that the terms and definitions will be integrated into national provisional lists and included in national glossaries that payment service providers will be required to make available to consumers, as provided in Article 4(4) of the PAD, the FID must provide space and the possibility for the banks to elaborate on the features and usage possibilities of a service.

If in some countries, the final terms and definitions may be easily embedded in the commercial language and information, in other countries, problems can eventually occur for reasons linked to the use of expressions unknown to the majority of consumers and/or not sufficiently clear to avoid misinterpretations and the resulting litigation.

Hence, we reiterate our view that the integration process must consider a reasonable degree of flexibility for Member States to adopt definitions to the normal country's practices.

- For instance concerning a card, to simply provide the annual fee for a “debit card” without being able to explain what differs the card from other cards in the bank and in other banks will not make the FID very useful and will be misleading from a consumer point of view. Different levels of the annual fee may be explained by the fact that one card includes a travel insurance while another does not. (See also response to question 5).
- For instance, although the expression “Payment Service Providers” is nowadays commonly accepted as an alternative for the word “bank” or “credit institution”, some parts of the population may be not familiar with it.

Article 1 as currently drafted does reflect on the need to have a certain flexibility to avoid this challenge and should be amended

- In Recital 4 of the draft RTS “account provider” should be replaced by “payment service provider”.

#### SUGGESTION FOR AMENDMENT

##### Recital 4:

(4) To ensure that the Union standardised terminology is easily understandable to consumers, the drafting of the terms and definitions should be based on a more consumer-friendly language, without using legalistic terminology as far as possible. The definitions should be formulated where possible, in a way that denotes the role of the **payment service provider** as provider of the service. The definitions should also, as far as possible, be kept short and not describe in depth any associated products.

The wording of Article 1 should be amended as follows:

##### *Article 1- Standardised terms and definitions*

*The Union standardised terms and definitions for the most common services linked to a payment account as referred to in the first subparagraph of Article 3(4) of Directive 2014/92/EU shall be as set out in the Annex, and as specified for the official language of the Member State where the payment account is offered, **providing however a certain flexibility to Member States in the definitions to elaborate on the features and usage possibilities of a service to ensure an objective of accuracy, clarity and comparability of the services.***

**Question 4: Do you consider the terms and definitions proposed by the EBA in the Annexes to the draft RTS, and the resultant provisions in the Recitals of the draft RTS, to be adequate for achieving the aims of the Directive of enhancing transparency and comparability? If not, please provide alternative terms and definitions and their underlying rationale.**

As a general comment, it is important to stress that in most countries, financial institutions have modernised and changed their way of communicating with their customers for several years now. It is important to have a consumer perspective when addressing the customers departing from consumers' needs, using a plain and simple language. We note that the EBA technical standards seem somehow conservative with a top down perspective.

Considering the specificities of each Member State we invite you to consult the responses provided by each national associations.

## II. STANDARDISED PRESENTATION FORMAT OF THE FEE INFORMATION DOCUMENT AND ITS COMMON SYMBOL

**Question 5: Do you consider the FID template that is being proposed in the draft ITS and its Annex to be suitable to achieve the aims of the Directive? Please explain your reasoning.**

- **General comment regarding the format (size, font, space etc.) and the necessity to adopt a more flexible approach**

On the format, in our view the EBA has had an extensive interpretation of its mandate. There is a need to be able to explain the features of the services, the current differing prices for one and the same service depending on the channel used, etc. The focus must be on making the FID consumer friendly, clear and transparent rather than focusing on the space to be used. We believe that a too formalistic and prescriptive approach regarding the format used would be counterproductive. (See response to question 7).

EBA was tasked by the PAD to propose a “*standardised presentation format*” (article 4.6), but while the PAD refers to general forms criteria for the FID (referring for example to characters of a readable size) the EBA, in the draft ITS, has defined an unprecedented level of details setting the type of portrait format, the font type and font sizes, the location of the page number, and the line spacing, etc. (article 1).

We feel that the industrial cost needed to meet these requirements is disproportionate in relation to the benefits for consumers stemming therefrom. The proposal loses sight of the principle of proportionality.

In our view, such extreme harmonization doesn't serve the objective of readability but rather will increase complexity as well as the volume of the aggregate amount of documentation related to the provision of banking services that a consumer will be required to understand. It should be noted:

- Other pre-contractual documents like ESIS for mortgage credit (Directive 2014/17) or SECCI for consumer credit (Directive 2008/48) leave more freedom regarding the respective formats without simultaneously adversely affecting the comparability or readability thereof;

The draft ITS do not meet the request of recital 20 of PAD which states that “*EBA should also take into account the fact that Member States may choose to provide the fee information document and the statement of fees together with information required pursuant to other Union or national legislative acts on payment accounts and related services*”. In relation thereto, it should be emphasised that;

- The FID and the SOF are not the only documents given to the customer and the search for their clarity and comparability at the European level must not be achieved at the expense of the clarity and comparability of all documents submitted to the client. We believe that the more detailed and prescriptive the ITS are, the less the information provided under the PAD will be able to be fitted into other documentation to be provided.
- As for the practical application of the adopted format, the results of the quantitative testing did not show clear benefits deriving therefrom:

- only 68% of all consumers said that “*the format used in each document in terms of font style, font size, ... contributes to the documents being easy to understand*” ; This means that the remaining 32% of consumers did not see any clear benefit based on the proposed format ;
- but for more than one in four consumers (26%) the format contributes to the documents being difficult to understand.

The ITS should provide a sufficiently flexible format, including in terms of font, column size, line spacing, etc., in order to remain readable vis-à-vis the richness of certain contents and whatever the medium, in particular for the digital one. In this perspective the provision of a document on an A4 format appears neither to be adapted to the diversity of the media nor necessary to guarantee the full information of the consumer.

▪ **Comments regarding packages of services:**

We have a practical remark links to the additional information that PSP’s will have to provide where one or more services are offered as part of a package

Regarding packages of banking services, the commercial approach is very different from country to country. In certain countries PSP’s do not provide packages, whereas in others they may only provide basic packages, numerous packages, or even tailor made packages (often), to meet the needs of highly diverse profiles of customers<sup>1</sup>.

While the PAD does not include any requirements regarding the presentation of several packages offered by a single PSP (Article 4’3)), the EBA, in its draft ITS, clearly establish that “the information shall be provided for each package in a separate table” (Article 7(5)). This requirement, combined with the huge constraint on the format, will lead to significantly increase the document length (multiplication of the number of pages) which is in contradiction with the expected final outcome of the PAD, namely to have a short document.

We consider that a document which is too long would not allow reaching the two objectives of a brief and clear document.

We understand that the objective that the EBA had set for itself with the addition of a list of packages into the FID template was that of allowing a consumer to gauge his interest in a particular package as well as compare different packages.

However, given the plethora of different options at his disposal, notably with tailor made packages, comparability between packages is extremely hard at national level, whereas at the European level it is nearly impossible.

It would be, therefore, more appropriate (as well as in the interest of keeping the relevant documentation short, succinct and hence readable) to leave the possibility to the PSP to provide the consumer with a single example of the package “most commonly used”.

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<sup>1</sup> In France, for instance, numerous packages (often tailor made) are available in order to meet the needs of highly diverse profiles of customers. The French market for packaged services has been monitored since 2011 each year in a specific chapter of the annual report of the Observatory of Banking Fees of the Advisory Committee on the Financial Sector (CCSF). The following points emerge: French banks offers 5.5 packages on average (with a maximum number of packages offered by a single bank being 14). In addition, 81% of banks offer one or more customizable package(s) or semi-customisable package(s) of services. The degree of personalization varies greatly from one bank to another, with the base containing 7.50 services on average, with potentially up to 18 options.

This way, in accordance with recital 24 and article 3.2a) of the PAD, a consumer is given the opportunity to compare the fee charged for a service as part of a (typical) package with the fee charged for the same service if performed separately and can decide based on this if packages would be interesting to him *prima facie*.

Moreover, the approach undertaken by the EBA would also be likely to prompt banks to renounce to customization of packages which nevertheless correspond to a real need expressed by our customers and respond to one of the concerns expressed in the recitals 24 of the PAD on non-customizable packages “.../...*payment service providers may offer payment accounts packaged with products not requested by consumers which are not essential for payment accounts.../...*”

- **Absence of date:**

As the FID is derived from the pricelist, and as the pricelist is regularly changed/adjusted, it is necessary to ensure that the consumer is able to connect the FID with a particular edition of a pricelist. The date of publication of the document should therefore be inserted.

- **Further clarification on the fees applicable for services not listed in the FID:**

Article 4 (2) (g) of the PAD requires the FID template to include a statement that the FID contains fees for the most representative services related to the payment account. In addition, a complete pre-contractual and contractual information on all the services is provided in other documents. The proposed wording of the introductory statement goes beyond these requirements. There is no legal basis to provide for an obligation of the payment service provider to name or refer to such documents.

It is however important to ensure that consumers are properly informed that the FID is not exhaustive.

#### **SUGGESTION FOR AMENDMENT**

Regarding the second bullet point referring to the space for the payment account provider to inform the customer where he/she could find full information about the services linked to the payment account, we suggest to move this second bullet point to the first bullet point to avoid any misunderstanding and confusion for the consumer and stress more clearly that the document does not include the full information

- **Absence of tax information (in some countries the banking fees are subject to taxes);**

As recognised in paragraph 71 of the section on ‘background and rationale’ “*Article 2 point 15 of the Directive defines ‘fees’ as all charges and penalties, if any, payable by the consumer to the payment service provider for or in relation to services linked to payment account. Given that the definition does not require that the charges are originated by the payment service provider, but that it includes charges “payable” to the payment service provider by the consumer, taxes, such as VAT, charged by the payment service provider on behalf of tax authorities, will have to be included in the amount disclosed*”.

There should be therefore explicitly mentioned that tax are included and what type of tax is concerned.

- **It should be clarified that (apart from taxes) only fees originated by the PSP which provides the payment account (that the FID relates to) have to be displayed in the FID (and the SoF).**

Fees originated by third parties, such as other payment service providers, do not have to be included in the FID (or the SoF).

- **In the Annex as well as and the title of Article 4 of the draft ITS on the FID ‘Name of the account provider’ should be changed to ‘Name of the payment account provider’ (see Article 2 (7) PAD).**
- **Recital 8, Article 10 and the last table in in the Annex should be deleted.** Article 4 of the PAD does not provide for the FID to include key indicators. According to Recital 19 of the PAD the *“Member States may require key indicators such as a comprehensive cost indicator [...] to be provided [...] with the fee information document”*. Furthermore the comprehensive cost indicator is only one example of possible key indicators. Therefore, if not deleted, in the Annex as well as in Recital 8 and Art. 10, the wording *“Comprehensive cost indicator”* in the last box should be changed to *“Key indicator”*.
- It is important to note that the reference to *“Glossary of the terms used in the document is available free of charge”* falls outside of the scope of the legal framework imposed to EBA to define the draft FID template.
- The term ‘providing a debit card’ is misleading. It could be better to use the terms “debit card”, as for the other services included in the table (“standing order”, “direct debit”, etc.), thus referring (in a broader sense) not only to the idea of *providing* a card, but also to the card’s functionalities. In the illustrative example of the FID the EBA provided in the Consultation Paper (page 29) the EBA itself uses the term “1 debit card” in the first table “Packages of Services”.

### **Question 6: Do you consider the common symbol in the FID template that is being proposed in the draft ITS and its Annex suitable to achieve the aims of the Directive? Please explain your reasoning.**

We consider that the common symbol in the FID template does not clearly represent the document’s purposes.

Although it is true that 50% of all consumers tested agreed that the symbol makes the document distinguishable from other documentation, it is also worth noting that the remaining half of the respondents disagreed or did not know whether or not they perceived this to be true. This result, showing only a limited potential benefit for consumers, has to be weighed against with the potential important industrial cost required in order to meet the requirements of the ITS.

We therefore suggest having the symbol constituted of the acronyms of the FID with EU acronyms to facilitate the distinction between EU and the national one (e.g. EU-FID). Indeed many consumers will not be aware of the symbol and may not understand why besides the bank’s normal price list they also receive the FID.

As mentioned in Article 4 of the PAD *“Without prejudice to Article 42(3) of Directive 2007/64/EC and Chapter II of Directive 2008/48/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 another durable medium containing the standardised terms in the final list of the most representative services linked to a payment account referred to in Article 3(5) of this Directive and, where such services are offered by a payment service provider, the corresponding fees for each services”*. It would be a great benefit for consumers and payment service providers alike if the FID could be provided to the consumer via a bank statement printer or digitally. A symbol which is drawn will made the printing more difficult.

Some banks make printers available to their customers in branches to allow them to print all kinds of account related or information documents going well beyond the PAD FID and SoF (or national

equivalent) only. These printers have very basic printing functionalities and are not able to print in colour. In branches or at banking terminals it is not always possible to print in colour but it is a common practice to feed printers with letterhead which already includes the bank logo in colour.

We therefore suggest softening the requirements set out in Article 3(2) of the draft ITS for the FID/SoF.

All colour / black & white combinations between the logo of the PSP and the common symbol should be allowed to take into account the wide diversity of printing equipment available.

In addition, it is important to note that the obligation to respect the same format (a square no larger than 2.5 cm x 2.5 cm) for the symbol and for the logo of the PSP is a too strong constraint. If a precise printing surface can be considered for the common symbol, the visual identity of certain PSPs, defined in their graphic charter, would hardly fit into a square of this size.

In our view, the document's identification and readability will be ensured even if for example the document is printed with a common symbol displayed in black and white should the logo of the PSP be printed in colour.

#### **SUGGESTION FOR AMENDMENT**

Article 3(2):

*'The logo and / or the common symbol may be displayed in colour and shall be clearly readable when printed in black and white.'*

Further it would be a great benefit for consumers and PSP alike if the FID could be provided via different digital channels. We feel that that digital means have not been considered enough under these draft ITS. The use of the template should be less restrictive, as its application in paper format is expected to and should reduce abruptly in the near future. Actually, comparability might prove to be more difficult to achieve given the proposed limitations regarding the format as well as the all-encompassing process of digitisation. In order to ensure that customers are properly informed, digital platforms and ex-ante online communications via different channels (computers, mobile phones) should be promoted. We do, however, welcome the fact that the EBA decided not to add grid lines to the FID.

**Question 7: Do you consider the proposed instructions for the completion of the FID template contained in Articles 2 to 11 of the draft ITS, to be suitable to achieve the aims of the Directive? Please explain your reasoning.**

[See also response to Question 5](#)

▪ **General comment regarding the format (size, font, space etc.) and the necessity to adopt a more flexible approach**

According to Article 4 (6) of the PAD, the EBA has been given a specific mandate to develop draft implementing technical standards regarding a standardised presentation format of FID and its common symbol. EBA should notably ensure that the FID and the common symbols are understandable and comparable for consumers. As stressed by the EBA in the point 78 of the section on 'rationale', the standardised FID should be "*clear when read by consumers as well as easy to be produced by PSPs*".

Even if we understand that the approach of the EBA to provide sufficient details on the template is to ensure the fee information is accurate, clear and comparable, we believe the PAD provides already the relevant criteria within Article 4 (2) a) to g) for the PSPs to fully meet those objectives.

- As answered in question 5, we consider that the restrictive criteria imposed by the EBA on the format (font, size, colour, number of pages, spaces etc.) could be disproportionate regarding the objective pursued. It would notably not meet the aim of having a document “easy to produce for PSPs” (e.g. in case the PSP decides to use a bank reader statement within a branch to make available the FID, certain colours could not be available and it would be very costly in term of hardware or IT consideration to adapt to those requirements).
- As explained in our response to question 3 there is a need to be able to explain the features of the services, present differing prices for one and the same service depending on the channel used etc. Focus must be to make the FID consumer friendly, clear and transparent rather than focusing on the number of pages or the space to be used. Indeed, there should be unlimited space to explain the features of each service provided, several prices may figure depending on channel and to which customer group the service is provided (students, VIP customers etc.).

**We believe that a too formalistic and prescriptive approach regarding the format used would be counterproductive. The focus should be rather on the result to be achieved rather than on the means.**

- Concerning the format of pre-contractual, contractual and post-contractual documents, it is essential to take into account that these need to be adapted to the digital environment. The customer has to be able to see in an easily readable format the FID and the SOF, therefore their format has to be adapted to the channel and type of device used by the customer (PCs, smartphones, tablets, and so on). The only solution cannot be to provide the customer with a PDF version of the paper document, because it is not easily readable today on many smartphones. The proposed solution should be technology neutral and therefore not linked exclusively to the PDF format.
- It should be also kept in mind that as mentioned in Recital 20 and Article 4 paragraph 2 of the PAD, the FID and SoF should be distinguishable from other communications but the EBA should also take into account that “*Member States may determine that, for the purposes of paragraph 1, the fee information document shall be provided together with information required pursuant to other Union or national legislative acts on payment accounts and related services on the condition that all the requirements of the first subparagraph of this paragraph are met*”. A certain consistency in the format used by the PSPs between those different instruments would make the FID and SOF more readable for the customers and easier to understand.

Some institutions have to comply with information requirements and use standardise types of documents for external communication (pre-contractual and post-contractual documentation). In case the new requirements conflict with the existing rules, besides the eventual need of changes to national existing rules, those changes would lead to additional costs with IT investments and operational adjustments for the PSPs, which in our view are not proportionate and necessary to the achieve the objective as they could be overcome by using existing template instead of creating new ones.

#### **SUGGESTION FOR AMENDMENT**

In our view similar approach should be adopted for the FID and SoF of the PAD, All reference to font, size, space etc. should be deleted or alternatively a minimum font size would ensure the use of characters of a readable size.

The deletion of sub-headings and cells which are not applicable may make it more difficult for the consumers to get an overview when comparing the FID’s of different banks which look completely different because they do not have the same sub-headings. We would rather recommend to mark it as “non applicable”.

- **Logo of the payment service provider (Article 3):** it is our understanding that the logo of the PSP does not need to be framed by the box currently included in the upper left corner of template.
- **Common symbol (Article 1 (2) (g):** We observe that there is a lack of reference regarding the code of the RGB colour model to be used. It should be clarified which reference code of the RGB colour model is to be used for the common symbol if printed in colour. We would however suggest softening the requirement set out in paragraph 2 of Article 3. All colour / black & white combinations between the logo of the PSP and the common symbol should be allowed taking into account the wide diversity of printers' equipment (See the detail of our answer at question 6).

It should be also ensured that it is possible for PSPs to process the common symbol in their IT systems without manual intervention. The common symbol should be provided by the EBA in a graphic form (i.e. as a printable logo) that is accessible, processable and printable by PSPs in their automated IT systems.

- **Name and contact details of the account provider (Article 4):** In the Annex as well as the title of Article 4 of the draft ITS on the FID, “Name of the Account provider” should be changed to “Name of the payment service provider” (see Art. 2 no 7 PAD and article 1(3) of the PAD states that: ‘Chapters II and III apply to payment service providers’).
- **Brand names (Article 11):** before the word “starting” the wording “if possible” should be inserted as there might be (future) cases where the name of the service completely fills a line or a hyphenation of the first word of the brand name would be grammatically incorrect.
- **Date of the FID should be included.**

▪ **Absence of tax information (in some countries the banking fees are subject to taxes);**

As recognised in paragraph 71 of the section on ‘background and rationale’ “*Article 2 point 15 of the Directive defines ‘fees’ as all charges and penalties, if any, payable by the consumer to the payment service provider for or in relation to services linked to payment account. Given that the definition does not require that the charges are originated by the payment service provider, but that it includes charges “payable” to the payment service provider by the consumer, taxes, such as VAT, charged by the payment service provider on behalf of tax authorities, will have to be included in the amount disclosed*”.

It in our views it is necessary to provide consumers with the related fee/tax structure details, otherwise the information could be misleading.

There should be therefore explicitly mentioned that tax are included.

It is however less clear as to whether it should be included in the SoF.

**SUGGESTION FOR AMENDMENT**

Article 8 (e) should be amended as follows:

***(e) taxes charged by the payment service provider on behalf of tax authorities, will have to be included in the amount disclosed***

- **It should be clarified that (apart from taxes) only fees originated by the PSP which provides the payment account (that the FID relates to have to) be displayed in the FID (and the SoF).** Fees originated by third parties, such as other payment service providers, do not have to be included in the FID (or the SoF)

- **Lack of clear guidance on how to handle packaged offers with some degree of sophistication and/or including an additional set of services not integrated in national's final lists;**

- While the PAD does not provide any requirement on the presentation of several packages the EBA in its draft ITS clearly states in the Recital 6 that *“if services that exceed the quantity covered by a package are not included in the national final list of most representative services and therefore, are not displayed in the fee information document, they should be shown in a separate table and not combined with information on the content of the packages, in order to give consumers a clear overview of the package.*

Considering that PSP in most of the countries provide multiple packaged offers, this requirement combined with the huge constraint on the format will lead to significantly increase the document length (multiplication of the number of pages) which is in contradiction with the mandate given in the PAD to have a short document.

For the sake of clarity and of having a readable/consumer friendly document, we would recommend leaving the possibility for PSP to refer in the FID to a single example of a package which is the most commonly used by its customers. It would avoid ending with many pages describing the various packages which could confuse the consumers instead of providing him/her with an overview of the type of packages available.

#### **SUGGESTION FOR AMENDMENT**

##### **Article 7 paragraph 5 should be amended as follows:**

5. Where payment service providers offer more than one package as referred to under paragraph 1 with the account, ***the payment service providers may choose to refer in the FID to a single example of a package of the most commonly used by customers***, indicating the brand name of the package of services, where applicable.

- The draft ITS seems to refer to bundled products comprising several services, e.g. a student package. It is important to distinguish between packaged accounts that offer a package of payment services and those that are packaged together with other financial services (such as insurance). Given that packages most often come at a fixed price (a bundle package) there are difficulties for firms to calculate each separate component of the package, Instead the customer should be informed about each component of the package (what it is) and what the overall cost for that package is as stated in article 4 (3) of the PAD.

Guidance and clarification may be needed to know on which category the provision of a service should be categorised (for example in certain countries a debit card which includes among its features a travel insurance should be displayed under debit cards otherwise most debit cards would figure under packages which would be unclear and make comparisons difficult.

- The flow of the information in the FID does not support the comprehensibility. When there is a packaged product with a current account and other payment services, and also a “transaction” package (e.g. unlimited number of credit transfers for a fixed price), the ITS requires that the information on the “transaction” package is in the first place, followed by the main table where the package is communicated under the term “account maintenance”. We believe that the consumer should firstly in a separate table get the information about the core product he/she buys (i.e. the package with the account), then in the main table information on the prices for individual services to be compared and then in the last table information on the “transaction” package. The template should be amended to reflect that.

- **Possibility of deleting the ‘Additional Information’ table in the FID template in cases where the PSP does not supply services and fees in this field**

With regard to Article 9, we believe that it should be clarified in the draft ITS that the ‘Additional Information’ table in the FID template may be deleted without replacement if the account-based PSP does not supply services and fees in this field.

#### **SUGGESTION FOR AMENDMENTS**

##### **Article 9 paragraph 4 (new)**

9(4) (new) ‘Payment service providers shall delete this table should they not provide information of the kind specified in paragraphs 1 and 2 of this Article’.

- **Lack of clarity on how to deal with fee exemption policies (some services like credit cards may have fee (annuities) exemption conditions if an average annual amount of payments threshold is met).** The EBA should elaborate further on this point by allowing that the FID, while not presenting the full scope of information on the fees that can apply to services related to the payment account, has to guide the consumer to other sources of information where exemption policies are detailed.
- **Lack of consideration for benefits or remuneration/remunerated fees received by customers:**

In many EU countries customers are offered payment accounts that include a number of monetary benefits payable depending on certain circumstances, such as:

- Fee exemptions policies (for example, some services like credit cards may have fee (annuities) exemption conditions if an average annual amount of payments threshold is met);
- Interest-bearing (remunerated) on the balance in the account,
- Cashbacks if certain methods of payment in pre-defined businesses are used by the customer and an amount threshold is met. Bonuses (value-for-money benefits) which can be used as a means of payment, for instance, for banking services. Bonuses are automatically used if they exist and commonly reach the amount of hundreds of euros per year.

It can be argued that monetary benefits information falls under Article 15 (Additional information) of the SoF. In contrast, no such provision exists in the FID.

In the proposed instructions for the completion of the FID template, it is not clear where and how the PSPs can describe and display information regarding (possible) ‘promotional offers’ and/or ‘discounts’ linked to the payment account.

**We therefore suggest not including them in the FID.**

Another option for the PSPs who want to include monetary benefits in the FID could be to rename the section “Other services” in the FID by “Other services and monetary benefits” to include there any monetary benefit that the account may provide to the customer.

The EBIC urges the EBA to better clarify how information regarding monetary benefits can be displayed in the FID so as to provide customers with correct and consistent information about the fees payable.

#### **SUGGESTION FOR AMENDMENT**

**We suggest not including the monetary benefits in the FID, if necessary the PSPs who want to include monetary benefits could rename the section “other services” in the FID by “other services and monetary benefits”.**

As a consequence, Recital 7 of the draft ITS for the FID should be amended and new Article 8(7) should be included.

New recital (7)

*In many EU countries customers are offered payment accounts that include a number of monetary benefits payable depending on certain circumstances, for example: fee exemptions policies, interest bearing on the balance in the account and cashbacks.. Payment Service Providers may provide information on monetary benefits under the section “Other services and monetary benefits”.*

(7 bis) The content of each fee information document provided to consumers will depend on the individual payment service provider’s offer of services and on each Member State’s final list of the most representative services linked to a payment account. Against this background and given the purpose of comparability of payment account offered in the single market, the template for the fee information document should provide certain headings under which the different services shall be grouped. Those headings should be “General Account Service”, in relation to any service such as maintaining or operating of the account, “Payments (excluding cards)”, “Cards and cash”, “Overdrafts and related services” and “Other services *(or “other services and monetary benefits” at the discretion of the Payment Services Provider)*”.

New Article 8.7

*Where the payment account offers monetary benefits, payment services providers may provide monetary benefits under the section “Other services and monetary benefits”.*

**Question 8: Do you consider the proposed instructions for the completion of the FID template contained in Articles 2 to 11 of the draft ITS, to be clear and easy to follow? Please explain your reasoning.**

Please consider the answers provided to Questions 5 and 7.

More specifically:

Comments on Article 3: See our answer to Q6

Comments on Article 7: See our answer to Q5

### III. STANDARDISED PRESENTATION FORMAT OF THE STATEMENT OF FEES AND ITS COMMON SYMBOL

**Question 9: Do you consider the SoF template that is being proposed in draft ITS and its Annex to be suitable to achieve the aims of the Directive? Please explain your reasoning.**

To a large extent we consider the Statement of Fees (SoF) template proposed in the draft ITS and its Annex to be suitable to achieve the aims of the Directive.

Some elements should however be considered:

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▪ **General comment regarding the format (size, font, space etc.) and the necessity to adopt a more flexible approach**

On the format, in our view the EBA has had an extensive interpretation of its mandate.

In line with what has been mentioned in question 5 and 7 for the Fee Information Document (FID) and stressed by the EBA, the focus of the SoF must be to make the document consumer friendly, clear and easy to read for the consumers and easy for the PSP to produce, rather than focusing on the number of pages or the space to be used. We believe that a too formalistic and prescriptive approach regarding the format used would be counterproductive.

EBA was asked by the PAD to propose a “standardised presentation format” (Article 5(4)), but while the PAD refers to general forms criteria for the SoF (referring for example to characters of a readable size) the EBA, in its draft ITS, is entering into an unprecedented level of details setting the type of portrait format, the font type and font sizes, the location of the page number, and the line spacing, etc. (Article 1).

We feel that the industrial costs necessary to meet these requirements is disproportionate in relation to the benefits for consumers stemming therefrom. The proposal loses sight of the principle of proportionality.

In our view, such extreme harmonization does not serve the objective of readability. The draft ITS do not meet the request of Recital 20 of PAD which states that “*EBA should also take into account the fact that Member States may choose to provide the fee information document and the statement of fees together with information required pursuant to other Union or national legislative acts on payment accounts and related services*”. Furthermore, similarly to the FID, providing the SoF digitally has not been foreseen by the ITS on the SoF. We would therefore like to reiterate our arguments with regard to this as stated above, in relation to the FID.

The FID and the SOF are not the only documents given to the customer and the search for their clarity and comparability at the European level must not be achieved at the expense of the clarity and comparability of all documents submitted to the client. We believe that the more detailed and prescriptive the ITS are, the less the information provided under the PAD will be able to be fitted into other documentation to be provided.

The results of the quantitative testing did not show clear benefits deriving from the level of detail and prescription adopted on the format:

- Only 68% of all consumers said that “the format used in each document in terms of font style, font size, ... contributes to the documents being easy to understand”). This means that the remaining 32% of consumers did not see any clear benefit based on the proposed format ;
- But for more than one in four consumers (26%) the format contributes to the documents being difficult to understand.

We would indeed suggest EBA to give more flexibility regarding the format of the SoF.

We believe that instead of applying a legalistic approach to the matter, the end result, a document, which is easy to understand and is thereby to the benefit of the customer, should be at the forefront.

The ITS should provide a sufficiently flexible format, including in terms of font, column size, line spacing, etc., in order to remain readable vis-à-vis the richness of certain contents and whatever the medium, in particular digital.

It is useful to note here that in the PAD a great freedom has been left in the choice of the communication channel used to provide the statement of fees as it is stated in article 5 “The communication channel used to provide the statement of fees shall be agreed with the consumer”.

- **A4 portrait format:** It would be a great benefit for consumers and PSP alike if the SoF could be provided to the consumer via a bank statement printer. This option would not be possible if it is mandatory to display A4 portrait format. We therefore suggest an exemption from this format in the case the Payment Service Provider and the consumer agreed that the SoF can be provided via bank statement printer or digitally. The ITS should provide a sufficiently flexible format, in order to remain readable whatever the medium (computer, smartphone, tablet and so on ...). The provision of a document on an A4 format appears neither to be adapted to the diversity of the media nor necessary to guarantee the full information of the consumer.
- **Different colour patterns for headings and sub-headings:** This requirement would also prevent payment service providers from providing the SoF via a bank statement printer.
- **Format of pre-contractual, contractual and post-contractual documents:** it is essential to take into account that these need to be adapted to the digital environment. The customer has to be able to see in an easily readable format the FI) and the SOF, therefore their format has to be adapted to the channel and type of device used by the customer (PCs, smartphones, tablets, and so on). The only solution cannot be to provide the customer with a PDF version of the paper document, because it is not easily readable today on many smartphones. The proposed solution should be technology neutral and therefore not linked exclusively to the PDF format.

(See response to question 11)

▪ **On packages:**

Pursuant to Article 11(1)-a of the draft ITS PSPs are requested to provide information on content of the package while it is not requested in the PAD.

We would suggest EBA not retaining this request as this information is unnecessary at this stage since the consumer knows the content of the package he/she has subscribed (details in the contractual documents), but also contributes to increase the length of the SOF and in consequence impairs to the readability of the SoF.

The objective at this stage is to allow the consumer to estimate the costs of his/her consumption of the banking services that he/she has already chosen and subscribed and not to give him/her commercial information on the content of the offers. This information was provided to him/her prior to this in the FID as well as in the relevant contractual documents : the FID pre-contractual document allows him to compare offers before subscribing and the contractual documents to know exactly the content of what he has chosen to subscribe. Therefore in the interest of the consumer it is better that each documentation (pre contractual, contractual, post contractual) sticks to its main objective in terms of customer information.

We would therefore suggest that the EBA not keeping the above mentioned requirement, as it may have a negative impact on the readability of the SoF, owing to the increase of its volume as a consequence of this requirement. In certain countries consumer associations consider essential to have a short document.

- **The Payment Services Providers should have the option to merge information relating to one consumer having several accounts in one SoF:** It is common in several countries for consumers to have several payment accounts with features (those covered by scope of the directive) in the same bank. In order to avoid overloading the consumer with many information, the PSPs should have the option available to merge the information relating to one consumer having several account.
- **Clear reference to the information available in the statement of fees of the bank might be indicated on the SoF:** Because consumers may be confused by receiving several statements which include different services (the bank's statements may also include investments products etc. and obligatory tax related information which does not figure on the SoF) PSPs might decide to add a sentence guiding the customer that more information is to be found in his or her statement from the bank,. The following optional sentence: "More information will be found in your annual statement from the bank".
- There is no legal basis in the PAD to provide for the SoF to contain any introductory statement. Article 4 (2) (g) PAD refers to the FID only. Article 9 and the respective text in the SoF template should therefore be deleted.
- **The EBIC disagrees with the approach proposed by the EBA to chronologically number the statements in the box 'statement of fees'.** In our view, this information is of little value for the consumer. The attention should focus rather on the period the statement is referring to. We therefore suggest the deletion of this line.
- **Amendment to recital 3:** in order to ensure consistency with the wording used in the PAD, the wording "of the Union" should be deleted in the following sentence "*expressed in the currency of the payment account, or in another currency of the Union*".
- **Recital 6, Art. 10(4) and the respective table in the SoF template ("Key cost indicator" under Summary of fees and interest) should be deleted:** The reference to Recital 19 of the PAD is not correct regarding the SoF.
- Recital 19 of the PAD states "*Member States should be able to require key indicators such as a comprehensive cost indicator summarising the overall annual cost of the payment account for consumers to be provided with the fee information document.*" Recital 19 does not state that Member States should be able to require key indicators such as a comprehensive cost indicator to be provided in the statement of fees, referring only to the fee information document.

- **The distinction between services used and services charged**

The draft ITS requests SoF to be included in the package of services subscribed by the consumer (Article 11) and the statement of each service linked to the payment account (Article 12) display the number of time the service was charged. This information could be impossible to give in some cases: for example in the case all in fees or capped fees. Moreover, this is not compliant with the PAD as Article 5(1) states that the consumer must be informed on the number of times the service was used during the period and not the number of time the service was charged.

Considering that we could have the case of a service used but not charged or fully charged we would suggest retaining this reference of a service used, more relevant for the consumer, and consistent with PAD.

We would also suggest that discounts or retrocessions could be displayed with more visibility in the SoF, at the choice of the PSD.

As reductions/ discounts will be difficult to indicate on the SoF (except at the bottom of the document under the heading "Additional information"), we would suggest, that they could, at the discretion of the PSP, alternatively appear as a line of fee or in a separate column.

- **Possibility to delete irrelevant tables**

For Article 13 and article 14 of the draft ITS related to interest paid or earned on the account, we would suggest that the possibility of deleting the table should be given (in line with point 4 of article of Articles 11 and point 10 of Article 12 of the same ITS). Such a possibility, suggested by Article 5(1) of the PAD ".../...as well as, where applicable, information regarding the interest rates.../..." would allow to substantially lightening the SOF. In certain countries almost no PSP pays interest on payment accounts. It could create otherwise some confusion for the consumers.

**Question 10: Do you consider the common symbol that is being proposed in the draft ITS and its Annex to be suitable to achieve the aims of the Directive? Please explain your reasoning.**

We consider that the common symbol in the SoF template does not clearly represent the document's purposes.

Although it is true that 52% of all consumers tested agreed that the symbol makes the document distinguishable from other documentation, it is also worth noting that the remaining half of the respondents disagreed or did not know whether or not they perceived this to be true.

This result reflecting a measured potential benefit for consumers has to be weighed against the potential important industrial cost required in order to meet the requirements of the ITS.

We therefore suggest having the symbol constituted of the acronyms of the SoF with EU acronyms and a text next to the symbol indicating "Standardised EU Statement of Fees" to facilitate the distinction between EU and the national one (e.g. EU-SoF).

It would be a great benefit for consumers and PSPs alike if the SoF could be provided to the consumer via a bank statement printer or digitally. A symbol which is drawn will made the printing more difficult.

The obligation to respect the same format (a square no larger than 2.5 cm x 2.5 cm) for the symbol and for the logo of the PSP is a too strong constraint. If a precise printing surface can be considered for the common symbol, the visual identity of certain PSPs, defined in their graphic charter, would hardly fit into a square of this size. We would therefore suggest here also softening the requirements.

Currently, the annual statement of fees that certain banks in certain countries are already required to produce by law is mainly printed in black and white by huge national document processing platforms using

bulky rolls of paper with the graphics standards of the bank (logo and legal notices) already printed in a colour background.

In branches or at banking terminals it is not always possible to print in colour but it is a common practice to feed printers with letterhead with the bank logo already displayed in colour.

We would indeed suggest softening the requirement set out in of Article 3(2): All colour / black & white combinations between the logo of the PSP and the common symbol should be allowed to take into account the wide diversity of printing equipment in braches and the industrial processes already in place. It should be clarified which reference code of the RGB colour model is to be used.

In our view, the document's identification and readability will be ensured even if for example the document is printed with a common symbol displayed in black and white should the logo of the PSP be printed in colour.

**Question 11: Do you consider the proposed instructions for payment services providers on how to complete the SoF template contained in Articles 2 to 16 of the draft ITS, to be suitable to achieve the aims of the Directive? Please explain your reasoning.**

See also our answer to question 9 and for Article 3 our answers to question 10

▪ **General comment regarding the format (size, font, space etc.) and the necessity to adopt a more flexible approach**

According to Article 5 (4) of the PAD, the EBA has been given a specific mandate to develop draft implementing technical standards regarding a standardised presentation format of the statement of fees and its common symbol. EBA should notably ensure that the statement of fees (SoF) and the common symbols are understandable and comparable for consumers. As stressed by the EBA in the paragraph 116 of the section on 'background and rationale', the standardised SoF should be "*clear when read by consumers as well as easy for PSPs to produce*".

Even if we understand that the approach of the EBA to provide sufficient details on the template is to ensure the statement of fees are accurate, clear and comparable, we believe the PAD provides already the relevant criteria within Article 5 (3) a) to d) for the PSPs to fully meet those objectives.

The focus must be to make the SoF consumer friendly, clear and transparent rather than focusing on the number of pages or the space to be used.

We believe that a too formalistic and prescriptive approach regarding the format used would be counterproductive. The focus should be rather on the result to be achieved rather than on the means.

As developed in question 7 for the FID, we believe that:

- Considering that Member States may determine that the statement of fees shall be provided together with information required pursuant to other Union or national legislative acts on payment accounts., the format should be flexible enough to be consistent with the format of other documents the PSP is required to provide to the consumer in order to make it easily readable for the customer and understandable;

Some institutions have to comply with information requirements and use standardise types of documents for external communication (pre-contractual and post-contractual documentation) and there is risk that the SoF is not consistent with the format of those document.

- It may lead to additional costs with IT investments and operational adjustments for the PSPs , which in our view are not proportionate and necessary to the achieve the objective of the directive as they can be overcome by using existing template instead of creating new ones.

#### SUGGESTION FOR AMENDMENT

In our view similar approach should be adopted for the FID and SoF of the PAD, all reference to font, size, space etc. should be deleted or alternatively a minimum font size would also ensure the use of characters of a readable size.

- **Further clarifications should however be provided on the following points:**
  - **Logo of the payment service provider (Article 3):** It is our understanding that the logo of the PSP does not need to be framed by the box currently included in the upper left corner of the template. We observe that there is a lack of reference regarding the code of the RGB colour model to be used. In our views, all colour / black & white combinations between the logo of the PSP and the common symbol should be allowed. The symbol could be displayed in black and white even if the logo of the PSP is displayed in colour. Indeed, it is common practice to supply bank customers with regular information by bank statement printer, which already includes the bank logo in colour.
  - It should be also ensured that it is possible for PSPs to process the common symbol in their IT systems without manual intervention. The common symbol should be provided by the EBA in a graphic form (i.e. as a printable logo) that is accessible, processable and printable by PSPs in their automated IT systems.
  - **Name and contact details of the account provider (Article 4):** In the Annex as well as the title of Article 4 of the draft ITS on the SoF, “Name of the Account provider” should be changed to “Name of the payment service provider” (see Art. 2 no 7 PAD and article 1(3) of the PAD states that: ‘Chapters II and III apply to payment service providers’).
  - **Fees included in the package of services linked to a payment account (Article 11):** The draft ITS requires details on the content of the package that is not required by the Directive. The statement of fee does not aim to describe the content of the package but a summary of what has been paid in a given period by the customer to allow him/her to assess the cost of use of banking services.
- **Detail of interest paid on the account:**
  - **Article 13 (3):** Article 5 (3) of the PAD is not restricted to fees but applies also to interests. The sentence should therefore be amended as follows to be consistent with the PAD: “*or, if agreed by the consumer and the payment service provider, in another currency*” should be added after the wording “*expressed in the currency of the account*” it should be inserted.
  - **Article 13 (5):** Article 13 refers to interest paid on the account. Therefore, paragraph 5, which refers to interest earned on the account (see also Section 4.5.2, no. 126 of the Consultation Paper), is misplaced and should be deleted. This paragraph relating to ‘detail interest paid on

the account' does not refer to interest paid on the account but rather to interest earned on the account (see also point 126). Therefore, Article 13 (5) should be redrafted.

- It should be clarified that if no interest is applicable to the account or no interest was charged in the relevant period the entire table should be deleted. An information that interest is not applicable is not required by the PAD and also contradicts the goals of the directive. It has no additional benefit for the consumer.
- The PAD also states that only the overdraft interest rate applied to the account needs to be contained in the SoF. We therefore suggest to redraft Art. 13 (5) as follows: "Where no interest was charged relating to the overdraft or related services during the relevant period payment service providers shall delete the entire table and also the respective table under summary of fees and interest".
- 

- **Detail of interest earned on the account (Article 14 (4)):** Article 5 (3) (b) of the PAD is not restricted to fees but applies also to interests. The wording "*or, if agreed by the consumer and the payment service provider, in another currency*" should be added after "*expressed in the currency of the account*".

Art. 14(4) last sentence and Art. 14(5) should be deleted. An information that interest is not applicable or amounts to zero in the relevant period is not required by the PAD and also contradicts the goals of the directive as it might even be misleading to the consumer. We therefore suggest to redraft Art. 14 (5) as follows: "Where a particular does not pay interest during the relevant period payment service providers shall delete the entire table and also the respective table under summary of fees and interest".

We would suggest that the possibility to delete the table "Detail of interest earned on the account" be given when no interest are earned by the consumer.

- **Lack of consideration for benefits or remuneration/remunerated fees received by customers:**

In many EU countries customers are offered payment accounts that include a number of monetary benefits payable depending on certain circumstances, for example:

- Fee exemptions policies (for example, some services like credit cards may have fee (annuities) exemption conditions if an average annual amount of payments threshold is met);
- Interest bearing (remunerated) on the balance in the account,
- Cashbacks if certain methods of payment in pre-defined businesses are used by the customer and an amount threshold is met.

In our opinion, PSPs may be allowed to reflect on the information on the monetary benefits linked to the use of the payment account, because these benefits actually reduce the cost of the account for the customer.

**We propose to include any monetary benefit that the customer may have earned using the payment account in the section under "additional information" or at the discretion of the PSP - to ensure that discounts or retrocessions could be displayed with more visibility in the SoF – that they alternatively appear as a line of fee or in a separate column.**

The EBIC urges the EBA to better clarify how information regarding monetary benefits can be displayed in the SoF so as to provide customers with correct and consistent information about the actual fees they pay.

- **Brand names (Article 16):** before the word “starting” the wording “if possible” should be inserted as there might be (future) cases where the name of the service completely fills a line or a hyphenation of the first word of the brand name would be grammatically incorrect.
- **Clarification is needed regarding the instructions concerning payments accounts with several payment account holders.**
  - We believe that the statement should include information on the total fees and interests paid in relation to the payment account.  
  
Dividing fees etc. between the number of payment account holders could be confusing for the consumer and could lead to substantial costs for Payment Service Providers to adapt their system to this demand. Thus, we would welcome further clarifications regarding the instruction to be followed on this point.
  - Among the elements to consider it would be relevant to propose to request the contact details of one of the payment account holders who will be considered as the contact person.

#### SUGGESTION FOR AMENDMENT

##### Article 13

2. Payment Service provider shall delete the entire table, if there is no interest paid on the account

##### Article 4.1 (Name and contact details of the account provider)

1. Payment service providers shall replace indications between square brackets with the name of the account provider. *If there are several account holders all names should be indicated or at least it should be stated that apart the name displayed there exists other account holders.*

**Question 12: Do you consider the proposed instructions for payment service providers on how to complete the SoF template, contained in Articles 2 to 16 of the draft ITS, to be clear and easy to follow? Please explain your reasoning.**

Please see response to question 11.