Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Payment Accounts Regulations 2015. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

STATUTORY INSTRUMENTS

2015 No. 2038

FINANCIAL SERVICES AND MARKETS

The Payment Accounts Regulations 2015

Made - - - - 15th December 2015

Coming into force in accordance with regulation 1(2)

The Treasury are designated(**1**) for the purposes of section 2(2) of the European Communities Act 1972(**2**) in relation to financial services.

The Treasury in exercise of the powers conferred by section 2(2) of that Act make the following Regulations.

A draft of these Regulations has been laid before and approved by a resolution of each House of Parliament in accordance with paragraph 2(2) of Schedule 2 to that Act.

PART 1

Introductory provisions

Citation and commencement

1.—(1) These Regulations may be cited as the Payment Accounts Regulations 2015.

(2) These Regulations come into force as follows—

(a) regulations 6 to 12 come into force six months after the Authority publishes the linked services list in accordance with regulation 3;

(b) otherwise, these Regulations come into force on 18th September 2016.

Interpretation

2.—(1) In these Regulations—

(**1**) S.I. 2012/1759.

(**2**) 1972 c. 68. Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c.51) and the European Union (Amendment) Act 2008 (c.7), Schedule, Part 1. By virtue of the amendment of section 1(2) by section 1 of the European Economic Area Act 1993 (c.51) regulations may be made under section 2(2) of the European Communities Act to implement obligations of the United Kingdom created or arising by or under the Agreement on the European Economic Area signed at Oporto on 2nd May 1992 (Cm 2073) and the Protocol adjusting the Agreement signed at Brussels on 17th March 1993 (Cm 2183).

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"the Act" means the Financial Services and Markets Act 2000(**3**);

"alternative arrangement" means a switching service that has been designated as such under regulation 15(1);

"the Authority" means the Financial Conduct Authority;

"business day" means a day on which the relevant payment service provider is open for business as required for the execution of a payment transaction;

"consumer" means any natural person who is acting for purposes which are outside that person's trade, business, craft or profession;

"credit institution" has the same meaning as in the Payment Services Regulations, but for the purposes of these Regulations does not include a credit union within the meaning of—

(a) the Credit Unions Act 1979(**4**); or

(b) the Credit Unions (Northern Ireland) Order 1985(**5**);

"direct debit" has the same meaning as in the Payment Services Regulations;

"designation notice" means a notice given under regulation 21(1);

"designated credit institution" means a credit institution that has been designated under regulation 21(1);

"EBA" means the European Banking Authority;

"EU standardised terminology" means the terms set out in any regulatory technical standards adopted by the European Commission pursuant to Article 3(4) of the Payment Accounts Directive;

"Financial Ombudsman Service" means the ombudsman scheme referred to in section 225 of the Act;

"fee information document" means a document provided under regulation 8(1);

"framework contract" has the same meaning as in the Payment Services Regulations;

"linked services list" means the list published by the Authority under regulation 3(1);

F1…

[F2"Money and Pensions Service" means the body established under section 1 of the Financial Guidance and Claims Act 2018;**]**

"overdraft facility" means an explicit credit agreement whereby a payment service provider makes available to a consumer funds which exceed the current balance in the consumer's payment account;

"payment account" means an account held in the name of one or more consumers through which consumers are able to place funds, withdraw cash and execute and receive payment transactions to and from third parties, including the execution of credit transfers, but does not include any of the following types of account provided that the account is not used for day-to-day payment transactions: savings accounts; credit card accounts where funds are usually paid in for the sole purpose of repaying a credit card debt; current account mortgages or e-money accounts;

"payment account with basic features" has the meaning given in regulation 19(1);

(**3**) 2000 c.8.

(**4**) 1979 c.34; Section 31 was amended by section 151(1) of, and paragraph 16(2)(b) of Part 1 of Schedule 4 to the Co-operative and Community Benefit Societies Act 2014 c.14.

(**5**) S.I. 1985/1205 (N.I. 12).

"the Payment Accounts Directive" means Directive 2014/92/EU of the European Parliament and of the Council of 23rd July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features(**6**);

"payment service provider" has the same meaning as in the Payment Services Regulations but for the purposes of these Regulations, does not include—

(a) a credit union within the meaning of—

(i) the Credit Unions Act 1979;

(ii) the Credit Unions (Northern Ireland) Order 1985;

(b) National Savings and Investments; and

(c) the Bank of England;

"Payment Services Regulations" means the Payment Services Regulations **[**[F3]2017**]**;

"Payment Systems Regulator" means the body established pursuant to section 39 of the Financial Services (Banking Reform) Act 2013(**7**);

"payment transaction" has the same meaning as in the Payment Services Regulations;

"statement of fees" means a statement provided under regulation 10(1);

"switching" or "switching service" means, upon a consumer's request, transferring from one payment service provider to another either the information about all or some standing orders for credit transfers, recurring direct debits and recurring incoming credit transfers executed on a payment account, or any positive payment account balance from one payment account to the other, or both, with or without closing the former payment account;

"the Tribunal" means the Upper Tribunal;

"United Kingdom credit institution" means a credit institution which is incorporated in, or formed under the law of any part of, the United Kingdom.

(2) Except where provided otherwise, any expression used in these Regulations which is used in the Payment Accounts Directive has the meaning which is given in that Directive.

F1 Words in reg. 2(1) omitted (6.4.2019) by virtue of The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 (S.I. 2019/383), reg. 1(1), **Sch. para. 27(a)(i)**

F2 Words in reg. 2(1) inserted (6.4.2019) by The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 (S.I. 2019/383), reg. 1(1), **Sch. para. 27(a)(ii)**

F3 Word in reg. 2(1) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 25(a)** (with reg. 3)

PART 2

Comparability of fees connected with payment accounts

Publication of the linked services list

3.—(1) Following adoption by the European Commission of regulatory technical standards setting out the EU standardised terminology, the Authority must without delay, and at the latest within three months of entry into force of the EU standardised terminology, publish a list of the most representative services linked to a payment account and subject to a fee ("the linked services list").

(**6**) OJ No L 257, 28.8.2014, p214.

(**7**) 2013 c.33.

(2) The linked services list must—

(a) feature at least 10 and no more than 20 of the most representative services linked to a payment account offered by at least one payment service provider and subject to a fee;

(b) contain terms and definitions for each of the services featured; and

(c) where applicable, use the EU standardised terminology.

Periodic review of the linked services list

4.—(1) Every four years, following publication of the linked services list, the Authority must assess, and where appropriate, update the list.

(2) The Authority must notify to the European Commission and to EBA the outcome of its assessment and, where applicable, provide them with the updated list.

Revision of the linked services list

5. Upon the European Commission adopting any change to the regulatory technical standards setting out the EU standardised terminology, the Authority must revise the linked services list to make any consequential amendment and must publish the revised list within three months of the change to the regulatory technical standards entering into force.

Glossary

6.—(1) Any payment service provider that offers a payment account must make available to consumers a glossary of at least the terms set out in the linked services list and the related definitions ("the glossary").

(2) The glossary must be drafted in clear, unambiguous and non-technical language and must not be misleading.

Information for consumers

7. Where applicable, any payment service provider that offers a payment account must use the terms set out in the linked services list in its contractual, commercial and marketing information.

Fee information document

8.—(1) Without affecting the requirements of—

(a) **[**[F4]Part 6 (information requirements for payment services)**]** of the Payment Services Regulations;

(b) any rules made by the Authority under Part 9A(**8**) (rules and guidance) of the Act for the purposes of implementing Article 12 of Directive 2008/48/EC of the European Parliament and of the Council on credit agreements for consumers(**9**);

(c) regulations 3(**10**) (information to be disclosed: agreements other than telephone contracts, non-telephone distance contracts, excluded pawn agreements and overdraft agreements), 4 (information to be disclosed: telephone contracts), 5 (information to be disclosed: non-telephone distance contracts), 10(**11**) and 11(information to be disclosed: overdraft

(**8**) Part 9A was substituted for the original Part 10 (sections 138-164) by section 24(1) of the Financial Services Act 2012.
(**9**) OJ No L 133, 22.5.2008, p66.
(**10**) Regulation 3 was amended by S.I. 2010/1969 and S.I. 2013/1881.
(**11**) Regulation 10 was amended by S.I. 2010/1969 and S.I. 2011/11.

agreements) of the Consumer Credit (Disclosure of Information) Regulations 2010(**12**); and

(d) sections 55C(**13**) (copy of draft consumer credit agreement) and 61B(2)(**14**) (duty to supply copy of overdraft agreement) of the Consumer Credit Act 1974(**15**),

any payment service provider that offers a payment account must ensure that, in good time before entering into a contract for a payment account with a consumer, it provides the consumer with a fee information document.

(2) Schedule 1 makes further provision regarding the fee information document.

F4 Words in reg. 8(1)(a) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 25(b)** (with reg. 3)

Availability of fee information document and glossary

9.—(1) Any payment service provider that offers a payment account must ensure that the fee information document and the glossary are—

(a) made available to consumers at any time;

(b) provided in an easily accessible manner, including to non-customers—

(i) in electronic form on the payment service provider's website where available; and

(ii) in the premises of the payment service provider which are accessible to consumers.

(2) The fee information document and glossary must be provided on paper or another durable medium free of charge upon request by a consumer.

Statement of fees

10.—(1) Without affecting the requirements of **[**F5Part 6**]** of the Payment Services Regulations, the Consumer Credit (Running-Account Credit Information) Regulations 1983(**16**) and sections 78(4) (duty to give information to debtor under running-account credit agreement) and 78A(**17**) (duty to give information to debtor on change of rate of interest) of the Consumer Credit Act 1974, any payment service provider that offers a payment account must provide an annual statement of fees ("statement of fees") free of charge to all consumers holding a payment account with it.

(2) The method of communication used to provide the statement of fees must be agreed with the consumer and the statement of fees must be provided on paper upon the request of the consumer.

(3) A payment service provider may provide the statement of fees together with information required pursuant to the requirements of the legislation referred to in paragraph (1), so long as the statement is presented and laid out in a way that is easy to read, using characters of a readable size.

(4) Schedule 2 makes further provision regarding the statement of fees.

F5 Words in reg. 10(1) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 25(c)** (with reg. 3)

(**12**) S.I. 2010/1013.
(**13**) Section 55C was inserted by S.I. 2010/1010 and amended by S.I. 2013/1881 and S.I. 2015/910.
(**14**) Section 61B was inserted by S.I. 2010/1010.
(**15**) 1974 c.39.
(**16**) S.I. 1983/1570.
(**17**) Section 78A was inserted by S.I. 2010/1010.