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Interim report from the ERPB Working Group on transparency for retail payment end-users

*- ERPB meeting 26 November 2020 -
A-item*

The “*Working Group on transparency for retail payment end-users*” seeks to address the need for enhanced information provided to the consumers on their payment account statement allowing them to know to **whom**, **where** and **when** they made a payment

Table of Contents

1 Introduction	3
2 Progress Status.....	3
3 Items that have been worked upon	4
3.1 Building blocks for areas in scope.....	4
3.2 List of transparency related issues.....	5
3.3 Initial overview of possible relevant data elements.....	7
4 Approach for the continuation of the work.....	8
5 Annex: Mandate of the Working Group on transparency for retail payment end-users.....	9
6 Annex: Members of the Working Group on transparency for retail payment end-users	12

1 Introduction

In its November 2019 meeting, the ERPB agreed that volunteer members would prepare a proposal for refining the scope of the workstream on transparency for retail payments end-users, i.e. easy identification, from a consumer's bank statement or banking application, of to whom, where and when they made a payment. This decision is aligned with the position of the ERPB in favour of including the transparency topic in the biennial ERPB workplan initially established in November 2018.

The volunteer members presented their results to the ERPB in July 2020 with a recommendation to launch an ERPB working group to address the issue of transparency via recommendations to relevant market stakeholders. The proposal has been published on the ERPB website¹. In this proposal, the volunteers recommended to the ERPB to create a Working Group that addresses enhanced transparency on beneficiary information for retail payments end-users, and that the Working Group delivers a comprehensive report with recommendations by June 2021. The ERPB welcomed² the work of the volunteer members and agreed that a working group should be established, with an interim report to be drafted for the November 2020 ERPB meeting.

The "*Working Group on transparency for retail payment end-users*", will address the scope identified by the volunteer group, i.e. identification, from a consumer's payment account statement or corresponding application, on to **whom**, **where** and **when** they made a payment³.

Following the release of the formal mandate of the Working Group and the call for candidates among the ERPB members, the Working Group was created early September 2020. The mandate and the list of Working Group members can be found in the Annex to this document. The Working Group is co-chaired by the European Savings and Retail Banking Group (ESBG) (Mr Diederik Bruggink) and the European Consumer Organisation (BEUC) (Mr Jean Allix) and the Secretariat tasks are ensured by the European Payments Council (EPC).

2 Progress Status

During the reporting period, the Working Group has undertaken the following activities:

- Bi-weekly Working Group meetings during the period from 17 September 2020 to 12 November 2020.
- Production of descriptive *building blocks* illustrating the possible components of the whole scope that could be expected to be covered by the final report, mainly to stimulate discussions between Working Group members. These building blocks are covered in section 3.1 of this interim report.
- Production of a complete list of *transparency related issues* encountered by the end-users. This list is an enhancement and completion of the list previously included in the July 2020

¹ [Proposal for an ERPB Working Group on transparency for retail payments end-users](#)

² [ERPB Statement of 6 July 2020 meeting](#)

³ The Working Group considers that there is no need to address issues about information on currency and conversion rate since these issues have their own legal framework.

proposal⁴ of the volunteer group. These issues are covered in section 3.2 of this interim report.

- Identification of and decision on the way and timing of involvement of *other stakeholders that are non ERPB members* in the Working Group activities.
- Drafting of an initial overview of possible *data elements that could be relevant to address the issues encountered by retail payment end-users*. These are covered in section 3.3 of this interim report.
- Discussion of an *approach* for the continuation of the work after the interim report. This approach is covered in section 4 of this interim report.

The Working Group foresees to involve some other non-ERPB stakeholders in the further stages of the work, more specifically external stakeholders identified to be *schemes* and *payment processors*. As these parties are represented in the European Cards Stakeholders Group (ECSG), the ECSG will be involved to reach out to these stakeholders.

The Working Group has not identified any obstacle or issue with its organisation or mandate that could jeopardise the delivery of its final report to the ERPB by June 2021. Should such issues be identified in the future, the Working Group will inform the ERPB Secretariat without delay.

3 Items that have been worked upon

This section describes the various items that the Working Group has been working on during the reporting period.

3.1 Building blocks for areas in scope

The Working Group identified the following building blocks illustrating possible areas of the scope, which can be used in further discussions and analysis during the later stages of the work:

1. Possible issues.
2. Possible causes of these issues.
3. Type of consumer statement to be checked for transparency against the identified issues.
4. Type of payment instrument/method concerned and that will be further investigated during the analysis step with involvement of other stakeholders.
5. Type of Point of Interaction at which these payment instruments can be used.
6. Type of transaction supported by these payment instruments.
7. The beginning of the identified transaction.

The overview of building blocks that was used for the discussions is presented in Figure 1.

⁴ [Proposal for an ERPB Working Group on transparency for retail payments end-users](#)

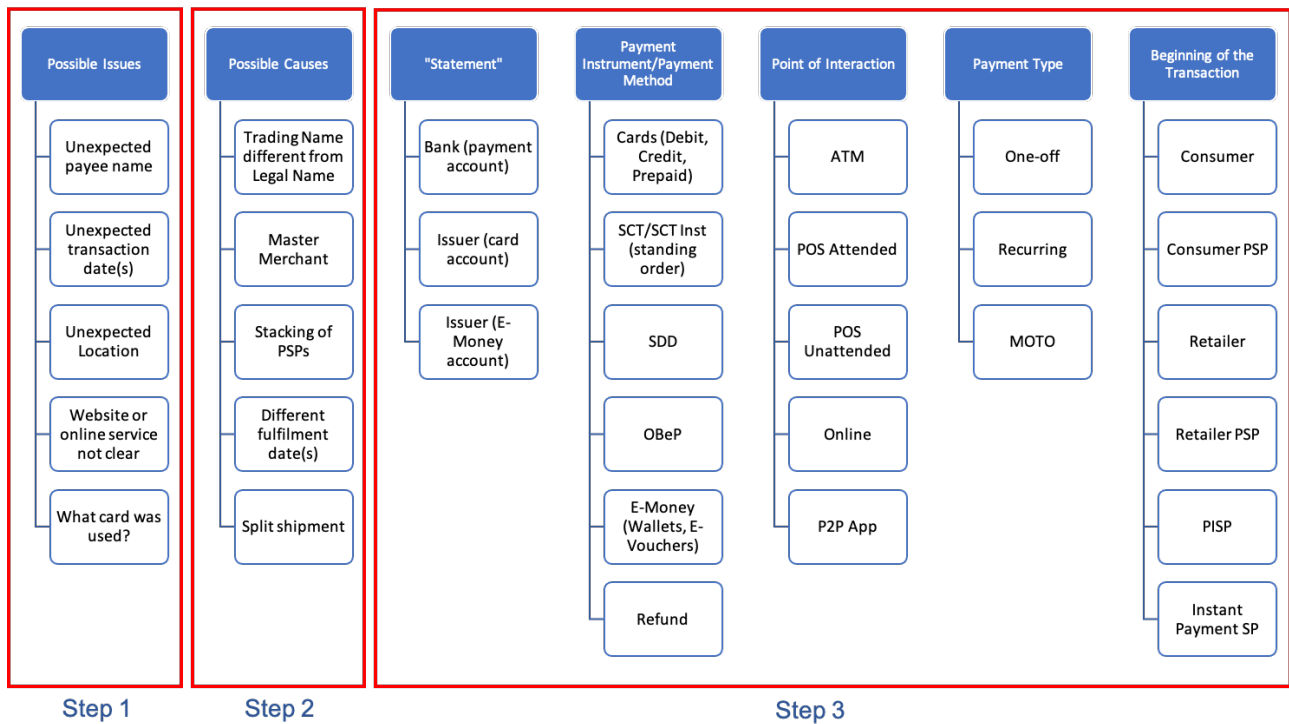


Figure 1

By agreeing on the list of *transparency related issues* the Working Group considers that the first two steps in Figure 1 – “Possible Issues” and “Possible Causes” - are now completed so that the next step of the work can start, namely:

- Identification of, and agreement on the type of relevant consumer statements, payment instruments, points of interaction, payment type and the beginning of the transaction.
- Investigation of the *payment transaction chain* to analyse at what stages the issues occur.
- Elaborating on possible solutions from which recommendations can be derived and addressed to the concerned actors in the chain.

3.2 List of transparency related issues

The summary of the Annex I of the preliminary document⁵ released by the volunteer group in July 2020 was enhanced with the input from Working Group members. Table 1 sets out examples of transparency issues. The column “Issue” describes the issue at high level whilst the column “Building blocks” refers to the issues listed used in column 1 of Figure 1 above.

⁵ Proposal for an ERPB Working Group on transparency for retail payments end-users

Table 1

#	Issue	Building block	Description
1	Merchant name is not relevant in case of international brands	Unexpected payee name	On the consumer payment statements the trade names are shown up, and not the commercial names of the merchant. Even though this is legally (PSD2) correct, it is confusing consumers. This can also occur for taxi companies when the taxi driver name appears instead of the company name. The latter is more important for the consumers, e.g. for complaints.
2	Merchant name is not relevant in case of franchises	Unexpected payee name	On the consumer payment statements the franchisee name is shown instead of the commercial name or brand of the franchisor. In some cases when multiple shops are owned by the same franchisee only the location is shown.
3	Merchant name is not correct in case of payment facilitators or master merchants	Unexpected payee name	When the merchant has a contract with an intermediary such as a facilitator or master merchant, instead of an acquiring PSP, the name of this intermediary is displayed. This can lead to confusion as the consumer has no knowledge of the intermediary and multiple purchases can be wrongly reported as coming from one single merchant. This could apply to e-money transactions as well.
4	Merchant name is not correct in case of marketplaces	Unexpected payee name	The same issue can be encountered by the consumer when making purchases on marketplaces. The name of the marketplace will appear on the consumer statement instead of that of the actual merchant.
5	Merchant name is not correct in case of stacking of PSPs	Unexpected payee name	When multiple PSPs are combined, the name of the next PSP or collecting PSP (when a PSP collects funds for multiple merchants) may be mentioned on the consumer statement, instead of the merchant name.
6	Beneficiary name not known by the consumer after name change	Unexpected payee name	The payment account of a beneficiary (e.g. insurance company) has not changed but the name that appears on the consumer statement has changed several times. As the contract was signed a long time ago the consumer is confused by the name change. This can also occur for card payments when an old name is still shown, whilst the merchant was taken over by another entity. The name of this new entity should appear instead.

#	Issue	Building block	Description
7	Merchant location not mentioned correctly	Unexpected location	Some chains of merchants have one single contract with an acquiring PSP, for example via their Head Office. As such, it is sometimes the location of the Head Office that appears on the consumer statement, and that could be different from the location where the transaction actually occurred.
8	Payment terminal location not mentioned correctly	Unexpected location	When (portable) payment terminals of a merchant with multiple branches are exchanged between these branches, the location is no longer correct, as the terminals are not reconfigured with the new location.
9	Multiple transactions on the statement for a single order	Unexpected payee name Unexpected location Unexpected transaction date(s)	When the ordered goods are shipped in several parcels from different storage places the payment account is then charged at different times for part of the total amount and the name/location of the payee may vary each time.
10	Card number missing	What card was used?	The card number used by the payer are missing from the account statement and this creates issues when multiple cards belonging to several people are associated with a single account.
11	Date and time missing or incorrect	Unexpected transaction date(s)	It is not always clear what date is shown on the statement: transaction date or settlement date. The time (hour/minute) is not shown but it might be useful when multiple transactions are done at the same merchant in the same day.
12	Online service is not correct	Website or online service not clear	The name of the online service (e.g. streaming through a TV box or music streaming) is reported differently in the statement. In e-commerce the website is not mentioned or is not correct (e.g. top-level domain name is .com instead of country-code top level or country code top-level is different between the e-commerce site and statement).

3.3 Initial overview of possible relevant data elements

In its fourth meeting, the working group discussed an initial overview of possible *data elements* that could be relevant to address the issues encountered by retail payment end-users. These data elements are provided in Table 2. Where possible, a reference was made to the relevant issue in Table 1. This overview is still work-in-progress - the working Group agreed that this overview should be further enhanced by detailing the eventual legal requirements where relevant in the last column of Table 2.

Table 2

Topic	Data Element	Description/Remarks	Issue	Legal Requirement ⁶
Who	Payee name – legal	Legal requirement		
	Payee name – commercial	Trading name if different from legal name	1, 2, 3, 4, 6, 7	
	Payee name – franchise or brand name	If different from legal name and/or commercial name	1, 6, 7	
	Payee sublocation	In case multiple outlets in the same city where elements above are the same	5	
	Website or online service			
Where	City of incorporation of payee – legal entity(?)	Legal requirement (?)		
	Physical address where actual transaction took place (POS)		5	
	Payee sublocation (?)	In case multiple outlets in the same city (?)	5	
	Website or online service			
When	Account posting date	Legal requirement		
	Actual transaction date	If different from account posting date		
Other	Card reference	What card was used		
	Order reference			

4 Approach for the continuation of the work

In its fourth meeting, the Working Group also discussed a possible way forward. The following approach is envisioned by the Working Group for Step 3, although it may be revised in light of progress achieved and priorities. Also, some of the issues, root cause analysis and possible solutions may be addressed in parallel.

Step 3.1

Further assess data elements that could be relevant for the retail payment end-users (expected result: exhaustive list). If possible, prioritisation of these elements (which data element(s) solve(s) most of the issues). This will include an analysis of the legal requirement that may apply.

Step 3.2

Based on the prioritised data elements identified in Step 1, assess the first link in the payment chain: Are these data elements available at the beginning of the payment transaction and are these data elements entered into the transaction details? This may be checked for all relevant combinations of payment types, payment instruments and POIs.

⁶ To be completed during the next phase of work.

To note that for this step, external stakeholders may be invited.

Step 3.3

If these data elements are not available or not entered into the transaction details, try to identify the root cause for this. Possible reasons why this is not happening could be:

- Merchant PSP does not possess data elements.
- The data elements do not appear in the transaction specifications (merchant – terminal; terminal merchant – PSP; merchant PSP – scheme? Follow the chain for a full assessment).
- The data elements are Optional/Not required.
- Other issues that may be identified.

Step 3.4

For the last link in the chain, check if the data elements are passed through the whole payment chain and whether these appear properly on the account statement, this may be checked for all payment types.

Step 3.5

If not, why not? Possible answers could be:

- Data elements are not received
- Data elements are not passed through by other links in the chain
- Data elements are Optional and not used by the entities in the chain
- Other

Step 3.6

Identify remedies and recommendations

5 Annex: Mandate of the Working Group on transparency for retail payment end-users

The Mandate is withheld on the next two pages.



ERPB Secretariat

ECB-RESTRICTED

August 2020
FINAL
ERPB/2020/018

Mandate of the Working Group on transparency for retail payment end-users

Based on Article 8 of the mandate of the Euro Retail Payments Board (ERPB), a working group is set up with the participation of relevant stakeholders to address the need for enhanced transparency for beneficiary information for retail payment end-users (the easy identification, from a consumer's payment account statement or corresponding application, of to whom, where and when the consumer made a payment).

1. Scope

Based on the work already carried out by volunteer members and presented to the July 2020 ERPB¹, the working group shall:

- analyse the payment information chain starting from the initiation of the transaction until the final consumer account statement, to highlight areas that need to be addressed;
- define what payment products/types should be covered (credit transfer, direct debit, card and/or e-money);
- define what use cases should be covered
- reach out to all relevant stakeholders for information gathering purposes and to ensure the full payment transaction chain is covered.

2. Deliverables

The working group is expected to deliver recommendations for relevant market stakeholders to enhance the transparency for retail payments and thus achieve clear, useful and easy-to-read payment account statements for consumers. Consumers need to be able to easily discern from their account statements (online or paper) who, when and where they paid.

¹ https://www.ecb.europa.eu/paym/groups/erpb/shared/pdf/13th-ERPB-meeting/Item_5.2_-_Proposal_on_transparency_for_retail_payments_end_users.pdf

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3. Time horizon

The working group will be established in August/September 2020 and shall deliver, by November 2020, an interim report finalising the scope of the work as well as providing a status update.

The ERPB shall confirm the next steps on the basis of this interim report. The working group shall then complete its final report and recommendations to the market by June 2021.

4. Participants and chairmanship

The working group shall include relevant stakeholders, including representatives of ERPB member associations. Other relevant stakeholders may also be invited to join as relevant third parties. One representative of the ECB and a limited number of representatives of euro area NCBs are invited to join the working group as active participants. A representative of the EU Commission will be invited as observer.

Members representing their associations and the co-chairs will be appointed by the ERPB Chair based on suggestions from their respective associations. Other participants – after expressing interest to the ERPB secretariat – may be invited by the ERPB Chair to join the group based on consultation with the members of the ERPB.

5. Rules of procedure

The mandate of the ERPB defines a broad set of rules for the procedures of its working groups: the working group takes positions on a $\frac{3}{4}$ majority basis; dissenting opinions are mentioned in any relevant documents prepared by the working group. The members of the group decide on how to organise secretarial support, timing and rules of meetings and communication via written procedure, as well as on the need and format of any interim working documentation produced. Costs related to the operation, meetings, chairmanship and secretariat are carried by the members of the group themselves.

6 Annex: Members of the Working Group on transparency for retail payment end-users

Name	Institution
Co-Chairs	
Diederik Bruggink	European Savings and Retail Banking Group (ESBG)
Jean Allix	European Consumer Organisation (BEUC)
Members	
Francesc Xavier Herrero	European Savings and Retail Banking Group (ESBG)
Barbara Pelliccione	European Payments Council (EPC)
Eero Eloranta	European Association of Co-operative Banks (EACB)
Gijs Boudewijn	European Banking Federation (EBF)
Judith Crawford	Electronic Money Association (EMA)
Konstantinos Maragkakis	European Payment Institutions Federation (EPIF)
Michel van Mello	EuroCommerce
Anne-Sophie Parent	AGE
Maria Huhtaniska-Montiel	ECB
Thomas Piveteau	Banque de France
Julien Novotny	Bundesbank
Rita Soares	Banco de Portugal
Marc van der Maarel	Central Bank of The Netherlands (DNB)
Alternates	
Adam Vytlačil	ESBG
Agnieszka Jancuk	EACB
Anni Mykkänen	EBF
Alexandre Leclerc	Eurocommerce
Jarmo Heilakka	EPC
Immaculada Perez	EPIF
Tatiana Lourenço	Banco de Portugal
Morgane Laigo	EMA
Observer	
Nicolò Brignoli	European Commission
Secretariat	
Valentin Vlad	EPC