

About the Emerging Payments Association

The Emerging Payments Association (EPA) connects the payments eco-system, encourages innovation and drives profitable business growth. Our goals are to strengthen and expand the payments industry to benefit all stakeholders.

We achieve this by shaping a comprehensive programme of activities for our members with help from an independent board, which addresses key issues impacting the industry.

These include: Targeted events, Conferences, Award ceremonies, Critical industry projects, Lobbying activities

The EPA is over 105 members strong and growing. Our members come from across the payments value chain; including payments schemes, banks and issuers, merchant acquirers, PSPs, retailers, and more. These companies have come together, from across the UK and internationally, to join our association, collaborate, and speak with a unified voice.

Q3. Do you have any comments on our proposed electronic communication network exclusion guidance in the draft PERG text (Appendix 1)? Do you have any comments on the proposed electronic network notification (draft direction and template in Appendix 2)?

We strongly urge that you provide guidance on the availability of the cascade as soon as possible so that relevant firms may prepare themselves for authorisation if it is necessary.

Q4. Do you agree with the proposed guidance related to the definition of AIS and PIS in PERG 15.3? Are there any business models which you believe could be inappropriately viewed as in or out of scope in light of our guidance? If so, please provide us with details of these business models.

We are mindful that the government's stated approach of taking a broad definition is subject to consultation but it appears that Bacs bureaux are likely to be within scope. We suggest that the Commission's intention was to bring into regulation those providing services that offer competition to card payments where the payer does not have a contract with the entity confirming payment to the merchant and therefore the scope should be limited to such circumstances.

We suggest that the technical service provider definition be clarified so that it isn't limited to only card payments.

PERG15.3, Q25B

In our view, the provider of a service that transmits a payer's payment order, to the payer's payment service provider, but does not come into possession of personalised security credentials, is not carrying out a payment initiation service.

Q8. Which parts of the EBA guidelines on authorisation and registration (currently in draft form) do you believe should be applied to applicants to become small PIs or small EMIs? Is there anything else we should consider?

Our overriding concern is that the EBA's guidelines require data that is unlikely to have a bearing on the competent authority's determination of the application. This will increase the cost of applying for authorisation or registration and the length of time to process applications but without any tangible benefit.

We believe the FCA should take a pragmatic approach to the information requirements from applicants for registration as payment and e-money institutions.

Safeguarding

We strongly recommend that the safeguarding guidance be amended to ensure that it does not have the unintended consequence of putting the sector out of business. We recognise the importance of protecting clients' funds while in possession of the payment or e-money institution but are concerned by the impracticality of statically safeguarding funds that are in transit and the lack of alternative options.

We are mindful that requiring universal safeguarding is an obligation imposed on UK firms because the government took the option of availing of a derogation and that this places UK firms at a disadvantage to counterparts elsewhere in the EEA.

We question whether the safeguarding obligations exceed the protection provided to customers that use banks to make international payments. We would welcome inclusion of such payment funds under FSCS cover.

We strongly urge the FCA to apply pressure to the insurance sector to establish if they will provide a suitable insurance solution.

Use of the term 'bank'

Paragraph 8.36, draft Approach Document – we strongly agree that payment and e-money institutions should not suggest that they are authorised as banks but we believe there is scope to allow moderated descriptions such as 'banking services', 'banking solutions', 'banking-type accounts' and 'banking-type services' aligned with a statement that the provider is not a bank. This accurately reflects the type of service but without claiming that it is offered by a bank. Preventing FinTech firms from using such terms limits their ability to describe what they do in a way that customers, both corporates and individuals, understand because the market has, historically, been so defined by banks. Our proposed approach is clear and not misleading and levels the playing field.