

# MFSA

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MALTA FINANCIAL SERVICES AUTHORITY

## FEEDBACK STATEMENT

### LIST OF THE MOST REPRESENTATIVE SERVICES LINKED TO A PAYMENT ACCOUNT

[MFSA REF: 13-2018]

**14 November 2018**

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## **Feedback Statement**

### **LIST OF THE MOST REPRESENTATIVE SERVICES LINKED TO A PAYMENT ACCOUNT**

#### **Section 1: Background**

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In 2015, the Malta Financial Services Authority ('MFSA') submitted a provisional list of the most representative services linked to a payment account in Malta (hereinafter referred to as "the provisional list") to the European Bank Authority ('EBA') as part of an exercise which EBA had carried out with a view to establish common terminology in this regard. In terms of the Payments Account Directive ('PAD'), the MFSA is required to publish the list of the most representative services in Malta using EU standardised terminology. This means that the list submitted to EBA in 2015 referred to above had to be revisited to ensure that it features the relevant EU standardised terms and definitions.

In the light of the above, on 19 October 2018 the MFSA issued for consultation the final list of the most representative services linked to payment account in Malta and the respective terminology containing 17 services in Maltese and English. The purpose of this consultation was to obtain the industry's views in the proposed list of the most representative services linked to a payment account. MFSA received a number of comments from the Malta Bankers' Association ('MBA') with respect to the proposed list of the most representative services.

The purpose of this document is to provide MFSA's position further to the comments received. In this regard, please refer to Section 2 of this Feedback Statement.

**Section 2: MFSA’s Feedback to the Consultation Document of the 19 October 2018**

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Reference is made to the Consultation Documents on the proposed List of the most representative services issued on the 19 October 2018 (Ref. 13/2018).

The deadline for the submission of comments with respect to the aforementioned Consultation document was the 29 October 2018. The Authority has received a number of comments from associations representing various industry participants.

A summary of the main comments received in relation to the proposed List of the most representative services linked to a payment account and the Authority’s position in relation thereto, is provided below. The Authority’s position has been determined after a careful and thorough consideration of the feedback received.

Term	Respondents’ Comments	MFSA’s Position
<p><b>Cash withdrawal or deposit, in or from a non-euro account</b></p>	<p>Respondents queried the specific reference to non-euro transactions only, since this service is mainly available for Euro transactions. It was suggested that reference to the currency was superfluous.</p> <p>In addition to the above, a suggestion was made to make the term more generic, namely by excluding the specific reference to the ATM withdrawals.</p>	<p>The MFSA agrees with the suggestion provided. It is however important to highlight that institutions should make a clear distinction in their tariff of charges between cash withdrawals or deposits made in euro and non-euro currencies and also the channel through which such withdrawals or deposits were done (e.g. ATM or over the counter), if different charges apply in these scenarios.</p> <p>The services <i>“Cash withdrawal or deposit, in or from a non-euro account”</i> and <i>“Cash withdrawal by means on an ATM”</i> will therefore be replaced in the list of the most representative services and the relevant definition would read <b><i>“Cash withdrawal or deposit”</i></b>.</p>

Term	Respondents' Comments	MFSA's Position
<p><b>Making payments in foreign currencies using an International Debit or Credit Card</b></p>	<p>Respondents suggested to remove the emphasis on foreign currencies as this service is available for all currencies. Moreover, it was suggested that the specific reference to international cards is removed since local debit cards seem to be still in existence in the local market.</p>	<p>When consulting a tariff of charges, a Fee Information Document or a Statement of Fees, a consumer must be able to immediately identify the respective product/service in relation to which he/she is being charged.</p> <p>In terms of the above service, the MFSA agrees in removing the reference on foreign currencies, as long as institutions make it clear in the above-mentioned documents should any distinction in fees apply between payments made in euro and foreign currencies.</p> <p>With respect to the comments relating to the reference to local and international debit or credit cards, the MFSA considers it important to make such a distinction because we consider that customers should be aware that only local payments can be made with local cards. Accordingly, this service will be indicated as "Making payments using a local debit or credit card" and "Making payments using an international debit or credit card".</p>
<p><b>Sending Money</b></p>	<p>Respondents considered that if a distinction needs to be effected in this definition this should</p>	<p>On the basis of current information found in the majority of the tariffs of charges, the MFSA considers that reference to SEPA should still be</p>

Term	Respondents' Comments	MFSA's Position
	<p>still be kept generic rather than linking it specifically to SEPA.</p>	<p>retained given that different charges appear to be applied by local banks depending on whether the transaction is SEPA or non-SEPA.</p> <p>Moreover, it is important to highlight that a consumer should be aware of the existence of SEPA, as well as which countries and currencies are included therein.</p> <p>In addition to the above, the MFSA takes the opportunity to highlight that the document were reference is made to SEPA should include a note defining SEPA, what it implies, namely the SHA regime in transfers, and which countries are included in this Area.</p>
<p><b>Direct Debit</b></p>	<p>Respondents argued that Direct Debit has been omitted from the local list although it is included in the Union's standardised items.</p> <p>In view of the above, respondents argued that the term should be included in the list once it is a service being used in Malta.</p>	<p>MFSA has now updated the List to include this service. Both the term and the respective description given by the EU will be included.</p>
<p><b>Language</b></p>	<p>A responded pointed out that, in the Maltese version, 'Card' is in some places translated as 'Karta', which is in line with the Union's</p>	<p>The necessary changes were done in the Maltese version, in order to be in agreement with the term used by the EU.</p>

Term	Respondents' Comments	MFSA's Position
	translation, whilst in other places the word 'Kard' is used.	
<b>Arranged Overdraft</b>	The term "arranged overdraft" refers to an Overdraft facility for which the consumer has applied for and the bank has sanctioned. However, the Maltese Final linked Services List does not capture the unauthorized or temporary overrunning of a payment account.	The harmonized definition of "Arranged Overdraft" provided by the European Union refers to an overdraft facility which was agreed to between the bank and the customer. However, should an institution charge for unauthorized or temporary overrunning, the respective fee must be included in the tariff of charges and any other relevant document of that institution.

### Section 3: Implementation of the List of the most representative services linked to a payment account

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The necessary amendments to be effected for the implementation of the list of the most representative services linked to a payment account as identified in Annex I to this Document are to be implemented by latest **3rd of December 2018**.

The implementation of the above-mentioned list shall be made in accordance with the Payments Accounts Regulations ('PAR'), namely:

- in the Glossary that payment services providers ('PSP') should make available to the consumers in a clear, non-technical and unambiguous way;
- in a Fee Information Document ('FID'), using the template provided by the EU under the [Commission implementing regulation \(EU\) 2018/34 of 28 September 2017](#) (see [Annex II](#)).

The fee information document and the glossary are to be made available to consumers, upon request, at any time by payment service providers.

- In the annual statement of fees ('SoF'), as defined under the [Commission implementing regulation \(EU\) 2018/33 of 28 September 2017](#). In this regard, PSPs shall use the template provided by the EU for the SoF.

PSPs shall provide to the consumer, at least annually and free of charge, a statement of all fees incurred for services linked to a payment account, as well as, where applicable:

- information regarding the overdraft interest rate applied to payment accounts;
- the total amount of interest charged relating to the overdraft during the relevant period;
- the credit interest rate applied to the payment account;
- the total amount of interest earned during the relevant period, where applicable.

The communication channel used to provide the statement of fees shall be agreed with the consumer. The statement of fees shall be provided on paper upon the request of the consumer.

- in any contractual, commercial and marketing brochures or leaflets provided to consumers, whether on paper or through a website or other digital medium.

#### Contacts

Should you have any queries regarding the above, please do not hesitate to send your queries on: [finpro@mfsa.com.mt](mailto:finpro@mfsa.com.mt).

## Annex I: List of the most representative services linked to a bank account

List of the most representative services linked to a payment account (English version)

	<b>Term</b>	<b>Definition</b>
<b>1</b>	<b>Maintaining the account</b>	The account provider operates the account for use by the consumer.
<b>2</b>	<b>Subscribing and renewing internet, mobile and telephone banking</b>	The account provider provides the consumer with access for banking services using the internet, mobile or telephone.
<b>3</b>	<b>Requesting statements</b>	The consumer requests bank statements, in paper or on other durable medium, over and above those which the payment service provider is required to send by law.
<b>4</b>	<b>Cash withdrawal or deposit</b>	The consumer requests to deposit or withdraw cash in or from an account.
<b>5</b>	<b>Standing order</b>	The account provider makes regular transfers, on the instruction of the consumer, of a fixed amount of money from the consumer's account to another account.
<b>6</b>	<b>Providing and renewing a debit card</b>	The account provider provides a payment card linked to the consumer's account, enabling the latter to withdraw and pay, locally, abroad, and even online. The amount of each transaction made using the card is taken directly and in full from the consumer's account.
<b>7</b>	<b>Providing and renewing a credit card</b>	The account provider provides a payment card linked to the consumer's payment account. The total amount of the transactions made using the card during an agreed period is taken either in full or in part from the consumer's payment account on an agreed date. A credit agreement between the provider and the consumer determines whether interest will be charged to the consumer for the borrowing.
<b>8</b>	<b>Making payments using an International Debit or Credit Card</b>	The account provider enables the consumer to make payments using an international debit or credit card.
<b>9</b>	<b>Making payments a local Debit or Credit Card</b>	The account provider only enables the consumer to make local payments using a local debit or credit card.

10	<b>Replacing a card</b>	The consumer requests a replacement of a card that was lost, stolen or damaged.
11	<b>Depositing and encashing a cheque</b>	The consumer presents a cheque, whether local or international, for deposit or encashment.
12	<b>Stopping a cheque</b>	The consumer asks the account provider to stop the encashment of a cheque issued by that consumer.
13	<b>Sending money in Euros to other account in the Single Euro Payment Area</b>	The account provider transfers money, in Euros, on the instruction of the consumer, from the consumer's account to another account in a SEPA country.
14	<b>Sending money in other currencies to any other account</b>	The account provider transfers money, in non-euro currencies, on the instruction of the consumer, from the consumer's account to another account.
15	<b>Receiving money – Euro</b>	The consumer receives money in euros from euro account.
16	<b>Receiving money - other currencies</b>	The consumer receives money in non-euro currencies from non-euro account.
17	<b>Arranged overdraft</b>	The account provider and the consumer agree in advance that the consumer may borrow money when there is no money left in the account. The agreement determines a maximum amount that can be borrowed, and whether fees and interest will be charged to the consumer.
18	<b>Direct Debit</b>	The consumer permits someone else (recipient) to instruct the account provider to transfer money from the consumer's account to that recipient. The account provider then transfers money to the recipient on a date or dates agreed by the consumer and the recipient. The amount may vary.

List of the most representative services linked to a payment account (Maltese version)

	<b>Frazi</b>	<b>Definizzjoni</b>
1	<b>Iżzomm il-kont</b>	Il-fornitur tal-kont jopera l-kont għall-użu mill-konsumatur.
2	<b>Applikazzjoni u tiġdid għal servizzi bankarji permezz tal-Internet, il-mowbajl jew it-telefown</b>	Aċċess għas-servizzi bankarji permezz tal-internet, il-mowbajl jew it-telefown tiegħek.
3	<b>Talba għall-rendikonti bankarji</b>	Talba għal rendikonti bankarji pprintjati jew fuq mezz durabbli iehor oltre minn dawk li l-bank huwa obligat jibgħat skont il-liġi.

4	<b>Ġbid ta' flus minn jew depożitu ġo kont</b>	Talba sabiex konsumatur jiddepożita ġewwa jew jigbed flus kontanti minn kont.
5	<b>Ordnijiet permanenti</b>	Il-fornitur tal-kont jagħmel trasferimenti regolari, wara struzzjoni mill-konsumatur, ta' ammont fiss ta' flus mill-kont tal-konsumatur għal kont ieħor.
6	<b>Il-forniment jew tiġdid ta' karta ta' debitu</b>	Il-fornitur tal-kont iforni karta ta' pagament marbuta mal-kont tal-konsumatur li biha jkun jista' jigbed flus u jagħmel pagamenti lokalment, barra minn Malta u saħansitra online. L-ammont ta' kull tranżazzjoni bl-użu tal-karta jittiehed direttament u b'mod sħiħ mill-kont tal-konsumatur.
7	<b>Il-forniment u tiġdid ta' karta ta' kreditu</b>	Il-fornitur tal-kont iforni karta ta' pagament marbuta mal-kont tal-pagamenti tal-klijent. L-ammont totali tat-tranżazzjonijiet permezz tal-karta matul perjodu maqbul jittiehed jew b'mod sħiħ jew parzjali mill-kont tal-pagamenti tal-klijent f'data maqbula. Ftehim ta' kreditu bejn il-fornitur u l-konsumatur li jiddetermina jekk hux se jkun hemm imgħax meta l-konsumatur jissellef.
8	<b>Pagamenti b'użu ta' karta tad-Debitu jew karta tal-Kreditu Internazzjonali</b>	Meta il-fornitur tal-kont jħalli l-konsumatur jagħmel pagamenti permezz ta' karta tad-Debitu jew karta tal-Kreditu Internazzjonali.
9	<b>Pagamenti b'użu ta' karta tad-Debitu jew karta tal-Kreditu lokali</b>	Meta il-fornitur tal-kont jħalli l-konsumatur jagħmel pagamenti lokali permezz ta' karta tad-Debitu jew karta tal-Kreditu lokali.
10	<b>Bdil tal-karta tad-Debitu Internazzjonali jew Karta tal-Kreditu</b>	Bdil tal-karta jew ħruġ ta' karta ġdida f'każ li tintilef, tinsteraq jew titħassar.
11	<b>Depożitu u tisirif ta' ċekk</b>	Meta tipprezenta ċekk, kemm lokali kif ukoll internazzjonali, biex jiġi depożitat jew imsarraf.
12	<b>Twaqqif ta' ċekk</b>	Meta l-konsumatur jitlob lill-fornitur tal-kont sabiex iwaqqaf ċekk li jkun hareġ il-konsumatur, milli jissarraf.
13	<b>Tibgħat ewro f'kont ieħor fiż-Żona Unika ta' Pagamenti bl-Ewro (SEPA)</b>	Trasferiment ta' ewro bejn bank u ieħor fiż-Żona Unika ta' Pagamenti bl-ewro (SEPA), fuq struzzjonijiet tal-konsumatur.
14	<b>Tibgħat flus fi kwalunkwe munita oħra ħlief l-ewro lil kwalunkwe bank ieħor</b>	Meta l-fornitur tal-kont jibgħat flus fi kwalunkwe munita oħra ħlief l-ewro, fuq struzzjonijiet tal-konsumatur mill-kont ta' dak il-konsumatur għal kont ieħor.
15	<b>Tirċievi ewro f'kont bankarju fl-ewro</b>	Meta l-konsumatur jirċievi pagament f'ewro minn kont ieħor denominat fl-ewro.

16	<b>Tirċievi flus ġo kont bankarju (mhux denominat fl-ewro) f'Malta f'munita li mhix l-ewro</b>	Meta konsumatur jirċievi pagamenti f'munita li mhix l-ewro direttament fil-kont tiegħu li ma jkunx denominat fl-ewro.
17	<b>Overdraft</b>	Il-fornitur tal-kont u l-konsumatur jaqblu minn qabel li l-konsumatur jista' jissellef il-flus meta m'hemmx aktar flus fil-kont. Il-ftehim jiddetermina ammont massimu li jista' jiġi missellef, u jekk it-tariffi u l-imgħax hux se jiġu ċċarġjati lill-konsumatur.
18	<b>Direct Debit</b>	Il-konsumatur jippermetti li ħaddieħor (ripevitur) jagħti struzzjonijiet lill-fornitur tal-kont biex jittrasferixxi l-flus mill-kont tal-konsumatur għal dak ir-ripevitur. Il-fornitur tal-kont imbagħad jittrasferixxi l-flus lir-ripevitur f'data jew dati li jkunu maqbula mill-konsumatur u r-ripevitur. L-ammont jista' jvarja.

**Communications Unit**  
**Malta Financial Services Authority**  
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