

04 October 2023

Circular on Thematic Review in relation to Statement of Fees and Fee Information Documents

This circular is addressed to Credit and Financial Institutions ('institutions') that offer payment accounts within the scope of the Payment Accounts Regulations (S.L.371.18)

Introduction

The Payment Accounts Regulations (S.L.371.18) transpose the requirements of [Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features](#) which lays down rules concerning the transparency and comparability of fees charged to consumers on their payment accounts.

These Regulations are applicable to those Licence Holders which offer payment accounts through which clients are at least able to perform:

- a. placement of funds;
- b. withdrawal of cash; and
- c. execution and receipt of payment transactions, including credit transfers to and from third parties.

In terms of these Regulations, such Licence are required to:

- a. in good time before entering into a contract for a payment account with a consumer, provide the consumer with a Fee Information Document ("FID"); and
- b. provide consumers, at least annually and free of charge, with a Statement of Fees ("SOF") indicating the fees incurred in conjunction with the holding of such accounts.

The Authority's Supervisory Work

The MFSA through its Conduct Supervision Function, conducted a Thematic Review ("the exercise") to assess the adherence of Licence Holders providing these accounts to the requirements emanating from Schedules 1 and 2 of the Payments Account Regulations as well as the Implementing Technical Standards laid down in [Commission Implementing Regulation EU 2018/33](#) on the standardised presentation format of the SOF, and [Commission Implementing Regulation EU 2018/34](#) on the standardised presentation format of the FID, in relation to the provision and content of these documents.

Methodology and Feedback provided to Authorised Persons

The objective of the exercise was to assess the level of compliance by the institutions with the above-mentioned legislation in relation to their FID and SOF. The Authority had requested a number of Licence Holders to send their FID and SOF documents in word format.

The Authority reviewed the documentation submitted and assessed it against the abovementioned legal requirements. Further to this review, the Authority identified a number of shortcomings and requested the institutions concerned to update their SOF and FID in order to ensure that these are in line with the relevant requirements emanating from the Payment Accounts Directive and the relative Implementing Technical Standards.

Summary of Findings

From the analysis carried out on the SOF and the FID, the Authority noted that most Licence Holders were not in line with the sizing of the common symbol and of the Licence Holder's logo.

Other common findings related to the strict formatting requirements prescribed in the above-mentioned Implementing Technical Standards. These shortcomings consisted of incorrect text alignment, line spacing, text formatting, font size, and headings/sub-headings colour codes.

Various Licence Holders did not provide the right contact information as required by the Technical Standards. Furthermore, some institutions did not include the mandatory sections as specified by the Technical Standards. For example, the Authority noted a few instances where the SOF did not include the introductory statement as required by Article 8 of Commission Implementing Regulation EU 2018/33. In addition, regarding the FID, there were a few instances where it did not have a Glossary of Terms as required by Regulation 7 of the Payment Accounts Regulations (S.L.371.18).

The Authority would like to remind that institutions should abide strictly with the tables: ***Statement of Fees Template*** and ***Fee Information Document Template*** provided within the Commission Implementing Regulations EU 2018/33 and EU 2018/34 respectively.

It is imperative that fonts, alignments, wording, and colour schemes are strictly in line with the said Technical Standards without any leeway for changes.

The Authority also noted some instances in the FID where institutions did not follow Article 6 and provided the link to their respective website rather than the link to Pre-contractual and Contractual documents.

Conclusion

The Authority expects that Licence Holders which offer payment accounts to clients, adhere at all times with the applicable requirements relating to the Statement of Fees and the Fee information Document, as may be amended from time to time. In this regard, the Authority may in the future carry out further supervisory work in this area to ensure compliance with the abovementioned requirements emanating from the Payment Accounts Regulations and the Implementing Technical Standards.

Contacts

Should you have any queries regarding the above, please do not hesitate to contact: csubanking@mfsa.mt.