

19 August 2025

**Conduct Supervision**  
Tel: (+356) 21441155

By e-mail

Dear Chief Executive Officer  
Dear Compliance Officer

**Re: Thematic Review on Payment Accounts offered by Financial Institutions**

You are receiving this letter as a Chief Executive Officer and Compliance Officer of a Financial Institution supervised by the Malta Financial Services Authority (referred to herein as the "MFSA" or the "Authority").

**Background**

The Authority is committed to fostering a regulatory environment where licensed entities uphold high compliance standards, operate with integrity, and prioritise the best interests of their clients. Ensuring adherence to applicable laws, regulations, and guidelines not only safeguards consumers but also strengthens trust and confidence in the financial market.

To achieve this, the Authority employs various supervisory tools, including on-site inspections, regulatory meetings, and thematic reviews, ensuring that entities maintain transparency, fairness, and professionalism. By supporting clients effectively, Institutions can build more sustainable and long-term relationships, contributing to a stable and resilient financial sector. This can be achieved if the Institutions provide clear and concise information to clients at pre-contractual stage, so such clients can take an informed decision prior to entering into an agreement or opt for any type of product or service.

The Payment Accounts Regulations (S.L.371.18) establish Regulations designed to ensure the transparency and comparability of fees for payment accounts being charged to clients. In accordance with these Regulations, Institutions are required to provide a Fee Information Document (FID) to the consumer in good time prior to entering in a payment account agreement. Additionally, Institutions must also issue a Statement of Fees (SOF) at least once a year, free of charge, detailing all fees incurred in relation to the account.

These Regulations apply to Institutions offering payment accounts that enable consumers to:

- a. Deposit funds;
- b. Withdraw cash; and
- c. Execute and receive payment transactions, including credit transfers involving third parties.

## Methodology

A Thematic Review serves as a key supervisory tool employed by the Authority to concentrate oversight efforts on specific areas of concern across multiple regulated entities. Rather than assessing an individual authorised person, this approach allows for the analysis of common issues, risks, and industry practices.

The effectiveness of a Thematic Review is further enhanced through the publication of its findings, which promotes transparency by sharing insights with both the industry and the public. This openness helps build trust and confidence in regulatory processes.

Additionally, Thematic Reviews drive continuous improvement for both regulated entities and regulators by evaluating industry practices and compliance levels. This enables stakeholders to identify areas requiring enhancement and implement necessary changes to improve overall outcomes.

The Conduct Supervision Function carried out a Thematic Review (“the review”) to evaluate the compliance of Financial Institutions authorised by the Authority in terms of the Financial Institutions Act with the Payment Accounts Regulations (S.L.371.18), including Schedules 1 and 2, as well as the Technical Standards outlined 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. This assessment focused on the provision and content of these documents.

Furthermore, as specified in Regulation 13 of the Payment Accounts Regulations, the Authority provides consumers with access, free of charge, to a website comparing fees charged by payment service providers referred to as the [‘Payment Accounts Fees Comparison Tool’](#). As part of the Thematic Review, the Authority assessed the information provided by Financial Institutions on this Comparison Tool to verify whether the data is current and accurately reflects all fees that may be incurred by consumers in relation to payment accounts.

The primary objective of the review was to determine the extent to which Financial Institutions were adhering to the aforementioned Regulations concerning their FID and SOF. For the purpose of this Thematic Review, the Authority specifically focused on Financial Institutions whose payment accounts include all the three features outlined in the Payment Accounts Regulations, as referred to above. At present, only three Financial Institutions provide such payment accounts, and all three were selected for this review. As part of the process, the Authority requested these Financial Institutions to submit their FID and SOF documents. Furthermore, the Authority also assessed the level of information being provided on the Institutions’ websites.

Following an in-depth review of the submitted documentation, the Authority identified several areas of non-compliance. Consequently, the relevant Institutions were instructed to update

their SOF and FID to ensure full alignment with the Payment Accounts Regulations and the applicable Technical Standards.

## **General Observations**

### **1.0 Fee Information Document**

Based on the analysis carried out on the Fee Information Document, the Authority observed that most of the Financial Institutions subject to the Thematic Review generally complied with the requirements set out in the Commission Implementing Regulation (EU) 2018/34 on the standardised presentation format of the Fee Information Document.

The Authority highlights the importance of providing the Fee Information Document in good time before entering into a contract for a payment account with a consumer as stipulated in Regulation 8 of the Payment Accounts Regulations (S.L. 371.180). Furthermore, when a brand name is used, Financial Institutions should always first mention the name of the service, followed by the brand name, to ensure clarity regarding the service being offered as per Article 12 of the Commission Implementing Regulation (EU) 2018/34.

Furthermore, to maintain the integrity of the Fee Information Document (FID) template, it is recommended that the Glossary of Terms required in terms of Regulation 7 of the Payment Accounts Regulations (S.L.378.18) is to be provided as a separate document and these are to be provided in both English and Maltese, and in any other language agreed by the Payment Service Provider and the Consumer. This will help ensure compliance with the prescribed format while still making the necessary information easily accessible to the customers.

### **2.0 Statement of Fees**

Financial Institutions are required to adhere to the Regulations specified in the Commission Implementing Regulation (EU) 2018/33, which outlines in detail how the Statement of Fees should be presented to customers. However, it was noted that one particular Institution, although offering the Statement of Fees, did not comply with the requirements set out in Commission Implementation Regulation (EU) 2018/33. Furthermore, it is crucial that the section titled 'Detailed Statement of Fees Paid on the Account' includes a comprehensive and accurate list of all fees, as presented in the Fee Information Document, to ensure full transparency and clarity for the customer.

### **3.0 Payment Accounts Fees Comparison Tool**

It was noted by the Authority that not all Financial Institutions are updating information on their fees on a regular basis on the Payment Accounts Fees Comparison Tool which is found on the MFSA website. Regulation 13(2)(b) of the Payment Accounts Regulations (S.L.371.18), stipulates that payment service providers shall provide the necessary information to the Authority for the purpose of establishing the requirements set out in Article 13(1) of the Payment Accounts Regulations (S.L.371.18). It is important that the Comparison Tool

accurately reflects the correct and current information. Additionally, it was noted that a particular Institution stopped offering a particular product, although it was still included in the Comparison Tool. In such circumstances, it is crucial that the Authority is promptly notified if a payment account is not offered any longer so that the product's fees can be removed from the Comparison Tool.

#### **4.0 Misleading References on Financial Institutions as to their Services**

During the selected website reviews, it was observed by the Authority that there were phrases used by the Financial Institutions which could be misleading clients into believing that the Financial Institution is a Credit Institution/Bank. Specifically, the use of terms such as "Bank," "Banking," "Mobile Banking" or "Bank Account" may cause clients to mistakenly believe they are engaging with a Bank/ Credit Institution, when in actual fact the Financial Institution does not hold such a status given that it not duly authorised under the Banking Act. The Authority emphasises the need for Financial Institutions to exercise caution when selecting terminology, as using such misleading language could result in confusion about the nature of the services provided.

The Authority emphasises the importance that Financial Institutions are to avoid any type of statements on their websites and in any advertisements on any type of media that could indicate that consumers can save money by utilising their payment accounts held with Financial Institution. The primary purpose of a payment account with a Financial Institution is to hold such funds for future payment transactions, such as EPOS purchases, ATM withdrawals, online payments or other payments, rather than serving as a means for wealth accumulation. In fact, Financial Institutions do not pay interest to their clients on their payment accounts.

Furthermore, Financial Institutions should also make it clear to their customers, that the entity is obliged to safeguard those deposits by taking certain measures prescribed in the applicable legislation, these are not captured under the Depositor Compensation Scheme which is only applicable to deposits held with credit institutions.

Financial Institutions are expected to have the above information clearly specified on their websites and in advertisements that they may issue both via traditional and social media.

#### **Way Forward**

The Authority expects that all Institutions falling under the Payment Accounts Regulations (S.L. 371.18) as stipulated on page 1 of this letter, strictly abide by the requirements set forth in the Commission Implementing Regulation EU 2018/34, the Commission Implementing Regulation EU 2018/33 and the Payment Accounts Regulations. To ensure compliance, it is recommended that a gap analysis is to be conducted to identify any discrepancies between the current practices of the Financial Institutions and the regulatory requirements, allowing for the necessary adjustments to be made in order to meet the established standards.

The Authority will engage with Financial Institutions in the future through other supervisory interactions to ensure compliance with the abovementioned requirements emanating from the Payment Accounts Regulations and the Implementing Technical Standards.

Should you require any clarification on the above, please do not hesitate to contact the Authority's Conduct Supervision Function on [conductbanking@mfsa.mt](mailto:conductbanking@mfsa.mt).

Kindly be guided accordingly.

Yours Sincerely  
**Malta Financial Services Authority**

**Christopher P. Buttigieg**  
**Chief Officer – Supervision**

**Sarah Pulis**  
**Head Conduct Supervision**

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