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MFSA Review Finds Gaps in Payment Accounts Offered by Financial Institutions

The Malta Financial Services Authority (MFSA) has carried out a [Thematic Review](#) into payment accounts offered by Financial Institutions. The review focused on the quality of Fee Information Documents (FID), Statements of Fees (SOF), and the accuracy of information published on the MFSA's Payment Accounts Fees Comparison Tool.

The main findings concluded that Financial Institutions complied with the standardised format and requirements under Commission Implementing Regulation (EU) 2018/34. Institutions were also providing required documentation to consumers as mandated.

However, the review also uncovered some **areas requiring improvement**:

- **Statement of Fees:** One institution failed to comply with the presentation requirements of the Regulation. The MFSA has directed immediate corrective action to ensure full transparency.
- **Comparison Tool:** Some institutions did not update their fee information regularly, and in some cases outdated products were still listed.
- **Consumer Awareness:** The review highlighted that Financial Institutions must clearly inform customers that payment accounts are primarily for transactional funds and do not accrue interest, nor are the deposits covered by the Depositor Compensation Scheme applicable to licensed banks.
- **Website Terminology:** Several institutions used potentially misleading terms such as "Bank," "Banking," or "Bank Account" that could confuse consumers about their regulatory status.

MFSA's Chief Officer Supervision, Dr Christopher P. Buttigieg stated: *"This thematic review reinforces our commitment to maintaining high standards of transparency and consumer protection in Malta's financial services sector. While we observed general compliance in key areas, the identified gaps require immediate attention to ensure consumers receive clear, accurate information about the services they are purchasing. Consumers must be given clear, transparent, and accurate information about the costs and features of payment accounts."*

Background

Payment accounts regulated by the Authority allow consumers to deposit and withdraw funds as well as carry out payment transactions involving third parties. The Payment Accounts Regulations (S.L.371.18) were established to ensure transparency and comparability of fees charged to consumers for payment accounts. These require that consumers receive clear, timely, and comprehensive information regarding fees associated with these services.

Next Steps

The Authority expects all Financial Institutions subject to Payment Accounts Regulations to: Provide Fee Information Documents in the standardised format and in good time before contract execution, issue accurate, free of charge Statements of Fees at least annually, and maintain current and accurate information on the MFSA's Payment Accounts Fees Comparison Tool. Financial Institutions should also use clear, non-misleading terminology in all consumer communications and clearly explain the nature and limitations of their services compared to traditional banking products.

The Authority has also recently [published](#) informative content for the general public on this topic, available on its website and across its social media channels.

The Authority will continue engagement and supervisory efforts to support compliance and protect consumer interests within Malta's financial ecosystem.

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. In 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA's mission, as enshrined in its Strategic Statement, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. The MFSA licenses over 2,000 entities to operate in the financial services sector.

