
Minutes of meeting

**Stakeholder Liaison Group
on 29 July 2013****Start Time: 10.00****End Time: 12.00****Location: Committee rooms A&B, 25TNC**

Attendees			
Organisation	Representative	Organisation	Representative
AFEP	Jamie Cooke	IAMTN	Leon Isaacs
AMEX	Julia Woodward-Carlton Lucy Hart	Mobile Broadband Group	Hamish MacLeod Meredith Pearson
BBA	Patricia Easterbrook	Moneygram	Melissa Pereira Michelle Tan
Citibank	Ruth Wandhofer Anoosha Livani	Payments Council	Elizabeth Frazer Rhiannon Butterfield
EMA	Johanna Jacques	Prepaid International Forum	Robert Courtneidge
FCA	Nilixa Devlukia (Chair) Graham Halliday Nick Holloway Alison Donnelly	RBS	Simon Newstead
HM Treasury (HMT)	Kate Appleby	UK Cards	Richard Koch
		UKGCVA	Andrew Johnson Siobhan Moore

	Agenda Item
1.	Introduction <p>Nilixa Devlukia welcomed everyone to the meeting and asked attendees to introduce themselves.</p> <p>Nilixa explained that the purpose of the meeting was to get industry's initial views on the draft second Payment Services Directive (PSD2), which was published on 24 July.</p>
2.	HMT comments <p>Kate Appleby said that HMT is analysing the details of the changes to the directive and seeking views from all stakeholders. HMT will be fully involved in the negotiations with the EU Parliament and EU Commission through the working groups etc.</p>

<p>3.</p>	<p>Discussion of the draft second Payment Services Directive (PSD2)</p> <p>There was a discussion of various aspects of the proposed changes and the following points were made.</p> <ul style="list-style-type: none"> a) Timeframe: It would be preferable to take time to get the details of the new directive right than to rush the negotiations. b) New types of payment service providers: <ul style="list-style-type: none"> o There was general agreement that it is difficult to get a sense of the full implications of the addition of the new types of payment service providers (third party payment service providers etc.) and which articles apply. o Some of the definitions relating to the new service providers are not clear. o Security concerns arise if third party payment service providers are able to reuse authentication details to re-access accounts and to make changes to personal data. c) Change to the IT device exemption: There was concern that the definition does not exclude the types of payments that should be excluded and that, potentially, premium rate phone services could fall within payment services regulation. d) Unauthorised business: Attendees asked about the impact on the FCA of the new responsibility to confirm, or otherwise, businesses proposing to take advantage of the limited network exemption. The FCA said it is too early to determine. e) Definitions: It was observed that some of the definitions are not clear enough and some terms that should be defined are not. f) Security requirements: There was concern that the Network and Information Security Directive is cross-referenced as it has not been finalised yet and is therefore subject to change. It was questioned whether it was necessary to cross-refer and whether the level of detail in the new articles is necessary given that the EBA are to be tasked to produce guidelines. There was concern that Article 85(4) might be interpreted in an overly onerous manner. g) Access to payment systems: The rationale for the additions to and deletions from this article is not clear. h) Delegated acts: There would be concern if the scope to make delegated acts was increased. i) Surcharging: Attendees objected to the provision that places restrictions on surcharging on electronic instruments because of the disparity it creates if it is possible to charge for non-electronic instruments such as cheques and cash. j) Redress: When raised by HMT, attendees said that most payment service providers need longer than 15 days to investigate a complaint.
<p>4.</p>	<p>Conclusion</p> <p>Nilixa thanked attendees for their input.</p> <p>Kate said that she would welcome any further comments by email. Information on the impact and costs associated with the changes would be particularly helpful.</p>