

Single Rulebook Q&A

Question ID	2019_4797
Status	Final Q&A
Legal act	Directive 2015/2366/EU (PSD2)
Topic	Strong customer authentication and common and secure communication (incl. access)
Article	97
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2018/389 - RTS on strong customer authentication and secure communication
Article/Paragraph	1
Date of submission	19/06/2019
Published as Final Q&A	05/11/2021
Disclose name of institution / entity	No
Type of submitter	Industry association
Subject matter	Merchant IDs and SCA
Question	In the situation where Strong Consumer Authentication (SCA) was completed at the time of completing a hotel booking by an Online Travel Agent (OTA) or hotelbrand.com under their Merchant ID but the actual payment will take place at the time of arrival: will the SCA authentication token remain valid for the hotel (merchant) making the charges and its respective Merchant ID?
Background on the question	In the hotel industry, there is a high degree of intermediation between the hotel (merchant) and guest (customer) through Online Travel Agents (OTAs such as Booking.com), franchisor booking channels (such as hotelbrand.com, or global distribution systems (such as Sabre). At the same time, these channels may have a diversity of Merchant-IDs (MIDs) different than that of the hotel.
EBA answer	Article 97(1)(b) of Directive 2015/2366/EU (PSD2) prescribes that payment service providers (PSPs) shall apply strong customer authentication (SCA) where the payer initiates an electronic payment transaction.

[Q&A 2019_4795](#) clarified that ‘PSD2 and the Delegated Regulation (EU) 2018/389 do not specify a timeframe for the validity of SCA applied at the time when a payer initiates an electronic payment transaction’.

Accordingly, the SCA applied at the time of the booking shall allow the future-dated payment transaction to be executed.

Article 97(2) of PSD2 states that for electronic remote payment transactions, PSPs shall apply SCA that includes elements which dynamically link the transaction to a specific amount and a specific payee.

Article 5(1)(a) and (c) of the Commission Delegated Regulation (EU) 2018/389 states that where PSPs apply SCA in accordance with Article 97(2) of PSD2, ‘the payer is made aware of the amount of the payment transaction and of the payee’ and ‘the authentication code accepted by the payment service provider corresponds to the original specific amount of the payment transaction and to the identity of the payee agreed to by the payer’.

Accordingly, the payment information displayed to the payer during the authentication shall include the payee (the hotel in the case described by the submitter). The authentication code shall be specific to the same payee, agreed to by the payer. If the payee and the specific amount do not change, the authentication code shall remain valid.

PSD2 and the Delegated Regulation do not require the payer to be made aware of third parties that are different from the payee, including intermediaries acting on behalf of the payee.

Link

https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2019_4797

European Banking Authority, 28/01/2022
www.eba.europa.eu