



Single Rulebook Q&A

Question ID	2019_5045
Status	Final Q&A
Legal act	Directive 2015/2366/EU (PSD2)
Topic	Fraud reporting
Article	96(6)
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	EBA/GL/2018/05 - EBA Guidelines on fraud reporting under PSD2 (amended by EBA/GL/2020/01)
Article/Paragraph	GL 7.12
Date of submission	13/12/2019
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Disclose name of institution / entity	No
Type of submitter	Competent authority
Subject matter	Card payments - acquirer
Question	If an acquirer is not able to distinguish whether a card used for a payment is a card with an e-money function, is the acquirer required to report transactions with such cards under the EBA Guidelines on fraud reporting, and if so, under what breakdown?
Background on the question	An acquirer would only be able to tell what type of card (credit, charge, debit or pre-pay) and if it was a special category (e.g. corporate), not what underlying payment service is being provided. For debit and pre-paid there

	<p>would be no way of knowing whether the underlying account was a payment account or an e-money account., though many pre-paid card offerings are e-money products. According to Guideline (GL) 1.5 of the EBA Guidelines on fraud reporting, payments with e-money cards need to be reported only from the issuer’s perspective in accordance with Data Breakdown F of Annex 2 of the GL, whereas according to GL 7.12, the payee’s payment service provider should provide data in accordance with Data Breakdown D in Annex 2 for all payment transactions and fraudulent payment transactions on the acquiring side where a payment card was used. If an acquirer is not able to distinguish whether a card used for a payment is a card with an e-money function, it is not clear whether the acquirer should report or not these transactions under the Data Breakdown D.</p>
<p>EBA answer</p>	<p>EBA Guidelines on fraud reporting under the PSD2 (EBA/GL/2018/05), as amended by the EBA Guidelines EBA/GL/2020/01, provide that payments with cards with an e-money function only (e.g. prepaid cards) should not be included as card payments but be reported as e-money.</p> <p>Guideline 7.2 provides that “when providing data on e-money transactions, the payment service provider (PSP) should include e-money payment transactions: a. where the PSP is identical to the payee’s PSP, or b. where a card with an e-money functionality is used.” This Guideline should be interpreted in conjunction with Guideline 1.5, which prescribes that “transactions and fraudulent transactions where e-money has been transferred by an e-money provider to a beneficiary account [...] should be reported by the e-money provider in accordance with Data Breakdown F in Annex 2.”</p> <p>Guideline 1.5 also specifies that reporting should be done by the payer’s payment service provider only. This approach is different to the reporting of card payments, where the transactions should be reported from both the payer’s payment service provider (issuer) and the payee’s payment service provider (acquirer).</p> <p>However, it should be noted that the Guidelines do not explicitly prescribe the reporting of transactions and fraudulent transactions in case the acquirer is not able to identify the type of card being used (i.e. e-money or payment card). In case the acquirer cannot identify the type of card being used, it is preferable for the acquirer to report the transactions under Table D “Data breakdown for card-based payments transactions to be reported by the acquiring payment service provider (with a contractual relationship with the payment service user)”.</p>
<p>Link</p>	<p>https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2019_5045</p>

