

PRESS RELEASE

Banks: from today more security and safeguards for customers on collections and direct debits

The new regulations envisaged by the European payment services directive (PSD) come into force. More time to request reimbursements in the event of unauthorised or "irregular" transactions

A new "element" of the European payment services directive (PSD) gets the green light. From today, direct debit and collection transactions become "more European", with the entry into force of new regulations that guarantee more security and introduce further safeguards for customers. Here are the changes.

The main change introduced regards the longer amount of time available to customers to report any transactions on which irregularities have been noted and to request the relative reimbursement. In particular, in the case of unauthorised transactions, the customer will have thirteen months from the date of the debit to notify its bank and to request the reimbursement of the amount. With regard to authorised debit transactions, the customer will have eight weeks. Furthermore, if an irregularity is discovered before the debit has been made, the order can be revoked up until the day prior to that on which the pre-authorised debit instruction falls due.

With regard to the reimbursement of the amounts, the bank is bound to return the amount within 10 days of the customer's request or to justify any refusal.

What is the PSD?

The PSD is the European payment services directive in force in Italy since 1 March of this year, which aims to eliminate the legislative differences between Member States and to increase competition between operators, guaranteeing equal conditions, more transparency and more protection for customers. The objective is to support, as regards electronic payments, the creation of an integrated European market, reducing the costs and inefficiencies of paper instruments and cash.

The other changes introduced by the Directive

With the entry into force of the PSD, numerous changes have already been introduced, which regard payment instruments such as cards and banks transfers, used by households and businesses on a daily basis. Here are the main changes:

- ABI and CAB will officially be retired, and the use of the unique ID code, namely IBAN, will become mandatory to make a bank transfer;
- the time needed to make a bank transfer has been cut to one working day. Up until 2012, banks, with the agreement of their customers, may extend this up to 3 working days (4 for paper orders);
- as soon as it receives a bank transfer, the bank immediately makes the sum available to the customer, who may use it;
- the value date, from which interest starts to accrue, coincides with the date of availability of funds;

- the *value date may no longer be antedated*, namely to request that an amount is credited to the account of the beneficiary with a value date prior or equal to the date on which the order is made;
- customers have more time to dispute any erroneous debits on their payment cards and to obtain reimbursements;
- customers receive more information on payment services and instruments before signing a contract and in the event of any subsequent periodic communications.

All information regarding the changes introduced by the PSD is available on the ABI website, www.abi.it and in the specific guides drawn up by the Banking association and available at bank branches.

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