

## Chapter 16

# Reporting requirements



## Notes for completion of payment accounts report in SUP Annex 41AD

### General

The purpose of these notes is to assist *payment service providers (PSPs)* in the completion of the payment accounts report ('the report'). There is no consolidated group reporting for this form and therefore a separate form is required for each legal entity to which ■ SUP 16.22 applies.

The report is to be completed by all *PSPs* located in the UK that offer payment accounts within the meaning of the *Payment Account Regulations* (including *credit institutions*, but excluding *credit unions*, National Savings and Investments and the Bank of England). 'Payment account' is defined in regulation 2 of the *Payment Accounts Regulations*. The *FCA* has provided guidance on this definition available at <http://www.fca.org.uk/news/fg16-6-payment-accounts-regulations-2015>. The effect of ■ SUP 16.22.3D is that *PSPs* that do not offer this type of account are not required to submit the report.

### Row 1:

*PSPs* should answer 'yes' if they provide payment accounts as defined in regulation 2 of the *Payment Accounts Regulations*.

### Switching

For the purpose of this report 'switching' means a switching service between payment accounts that a *firm* is required to offer under Part 3 of the *Payment Accounts Regulations*, whether such a service meets the requirements in Schedule 3 to those regulations or is a switching service designated as an alternative arrangement. 'Switching' and 'switching service' are defined in regulation 2(1) of the *Payment Accounts Regulations*.

### Row 2:

- (1) *PSPs* should enter the total number of payment accounts (including payment accounts with basic features) they have switched during the relevant period.
- (2) To prevent double-counting, *PSPs* should report only the accounts switched where they are the receiving *PSP* (see paragraph 1 of Schedule 3 to the *Payment Accounts Regulations*), i.e. they are required to report incoming switches only.
- (3) *PSPs* should include switches where the *consumer's* account with the transferring provider (see paragraph 1 of Schedule 3 to the *Payment Accounts Regulations*) remains open (partial switch) as well as those where the account has been closed (full switch).
- (4) *PSPs* should not include switches between accounts:
  - () with the same provider;
  - () denominated in different currencies;
  - () that are not payment accounts (e.g. not held by a *consumer*); or
  - () where one or both *PSPs* are located outside the *UK*.

### Row 3:

- (1) *PSPs* should only report the total number of switching applications that have been refused where they are the receiving *PSP*.

- (2) *PSPs* should report the total number of switching applications that have been refused during the relevant period. This should include only those applications that have been finally determined. It should not include applications that are still under consideration, still being processed or which are the subject of further enquiries or investigation.
- (3) *PSPs* should not record a refusal to open a payment account (or a particular type of payment account) as a refusal of a switching application, unless the reason for refusal relates directly to switching.
- (4) *PSPs* should include all other refusals, including those where the reason for refusal relates to the transferring provider, for example where the transferring provider has:
  - (i) failed to carry out the tasks necessary for the switch to be effected; or
  - (ii) failed to provide the information that is necessary to the receiving provider for the switch to be effected; or
  - (iii) turned down the request from the receiving *PSP*, for example, because the funds held in the account with the transferring provider cannot be moved.

Payment accounts with basic features

For the purpose of this report, 'payment account with basic features' means an account:

- (1) having the features set out in regulation 19 of the *Payment Accounts Regulations*;
- (2) where no fees are payable other than those permitted by regulation 20 of the *Payment Accounts Regulations*; and
- (3) that is at least available to consumers meeting the eligibility criteria in regulation 23 of the *Payment Accounts Regulations*.

Row 4:

- (1) The question in this row should be answered by all *PSPs* required to complete the report.
- (2) A *credit institution* should respond 'yes' to this question if it offers payment accounts with basic features, whether or not it has been designated under regulation 21 of the *Payment Accounts Regulations*. A *PSP* that responds 'no' to this question is not required to complete rows 5 or 6.

Row 5:

*Credit institutions* should include the total number of payment accounts with basic features that have been opened during the relevant period. This should include accounts that have subsequently been closed, switched, upgraded or migrated to another account.

Row 6:

- (1) *Credit institutions* should report the total number of applications for payment accounts with basic features they have refused. This should include only those applications that have been finally determined. *Credit institutions* should not include applications that are still under consideration.
- (2) A refusal is a decision to reject a complete application. These include situations in which the *consumer* has not met identification and verification checks (where these take place after a complete application has been submitted) and/or has not met fraud checks.