

Communiqué on the retail payments council's meeting, 21 October 2016

The fourth meeting of the retail payments council was chaired by Cecilia Skingsley, Deputy Governor of the Riksbank, and took place on 21 October 2016. At the meeting, the participants presented current issues connected with the work of the council and the working groups appointed by the council presented the results of the work carried out since the previous meeting. The reports dealt with the following sub-areas: activities related to ongoing national and international regulatory work, the collection of payment statistics, and a survey of the work on crisis management of the payment market.

Current issues

The County Administrative Board of Dalarna presented its ongoing work on the innovation procurement of payment services aimed at individuals in cases where existing payment services are insufficient in terms of either user-friendliness or accessibility, and in cases where the supply of payment services does not meet demand. The Swedish Consumers' Association presented a new report focusing on the challenges brought about by the increasing digitisation of society and the requirements that should be placed on consumer protection in response to the challenges identified. The PTS (the post and telecom authority) described its role as responsible authority for the allocation of funds for the County Administrative Boards' procurement of basic payment services. Bankgirot noted that the transaction volumes for payments are constantly increasing and that it is monitoring the ongoing European work on real-time payments. The Swedish Bankers' Association summarised its participation in the European Payment Council regarding the regulatory framework that has been developed for real-time payments within the EU. In addition, it submitted a status report on the development of an action plan for the future payment infrastructure. The Ministry of Finance reported on the status of the implementation into Swedish law of the general data protection regulation, the fourth anti-money laundering directive and the updated payment services directive. Finansinspektionen (the financial supervisory authority) presented its preparations ahead of the fourth anti-money laundering directive and the work of drafting new regulations in accordance with the directive. The Swedish Competition Authority presented a project within the area of payment services dealing with mobile payments. A report on the subject will be published at a later date. The PAN-Nordic Card Association submitted a status report from the project with the purpose of coordinating the introduction of cashless payments for actors on the card market. Sveriges Riksbank provided brief information on the seminar "How do we make payments today and tomorrow?", which was held at Almedalen in the summer, on its participation at the last meeting of the Euro Retail Payment Board and on its international work on payments.

Challenges regarding fraud, money laundering and terrorist financing

A status report was submitted by the secretariat of the retail payments council concerning the continuing work on the compilation of current challenges regarding fraud, money laundering and terrorist financing presented at the previous meeting. The council was positive to the establishment of a dialogue between the working group and the police on the methods and processes for the reporting of cases of

money laundering.

Report from the working group on regulation, policy and international work

The secretariat of the retail payment council presented the work carried out under the framework of the working group and its working committee for regulation, policy and international work.

The following information was provided:

- **The new general data protection regulation**

A report on the challenges inherent in the implementation of the new general data protection regulation was submitted. In particular, the working group has identified challenges concerning 1) the method for consent in the treatment of personal data in payment transactions and 2) the trade-off between the customer's right to remove and delete personal data and the payment service provider's need to prevent fraud. There is a need among market participants offering payment services for assistance in interpreting the regulation in conjunction with its implementation in Sweden. The council was positive towards a proposal from the working group and committee to establish a dialogue on identified challenges between the relevant authorities and payment service providers.

- **Measures aimed at counteracting money laundering and terrorist financing.**

The secretariat provided information on the discussions that the working group had held regarding the implementation of the fourth anti-money laundering directive in Sweden. The working group's assessment is that the stricter requirements on entities handling cash in their operations risk entailing increased costs and an increased administrative burden on these entities that could lead to decreasing interest in providing cash services.

- **Technical standards for the new payment services directive**

The European Banking Authority has recently carried out a consultation concerning a proposal for technical standards covering how new participants on the payment market are to gain access to payment accounts with custodial institutions in accordance with article 98 of the directive. The working group has discussed issues connected to the consultation that are of principle interest to the Swedish payment market. The focus has been on the need among new participants on the payment market to gain access to payment service users' payment accounts in a simple and straightforward manner at the same time as personal data and sensitive financial information are protected from unauthorised access. Each participant has the opportunity to present its views in response to the consultation on the payment service inquiry.

Vulnerability and crisis management of payment services

The chairman of the working committee presented a survey of how a number of participants on the Swedish payment market work with crisis management for payments (Swish, cards, ATMs). It was pointed out that crisis management for payments assumes the collaboration of several actors who provide the underlying financial infrastructure. Furthermore, it was pointed out that several authorities are obliged to cooperate in crisis management but that there also exists voluntary collaboration between authorities and the market under the framework of the FSPOS forum¹. The committee was positive towards a proposal from the Riksbank to set up a working committee with the aim for 2017 of investigating how payments can be executed in a crisis situation, using one or more scenarios, such as a major power cut, as a basis.

Payment statistics

The Riksbank presented the outcome of the annual compilation of payment statistics published in the report *The Swedish Financial Market*. The collection of information has been expanded and the calculation method for statistics has been adjusted. Regarding statistics on the need for cash, the Riksbank informed the council that it invited market participants in to round-table discussion in the spring with the aim of going through existing statistics.

The Swedish people's payment habits

The Riksbank provided information on the newly concluded survey "The Swedish people's payment habits", which consists of interviews with 2,000 private individuals. The results of the survey will be published on the Riksbank's website on 31 October 2016 <http://www.riksbank.se/sv/Statistik/Betalningsstatistik/>

Next meeting

The next meeting of the retail payments council will take place on Friday 24 March 2017, 09.30–12.00

¹ The financial sector's private-public cooperation