

With respect to the European Commission's consultation on the application and impact of EU rules on payment services, as required by the review clause of the Second Payment Services Directive and announced in the Commission's retail payments strategy of 24 September 2020, we would like to point out the following issues:

1. No or limited use of PSD2 SCA exemptions

Firstly, it is important to note that there is no possibility (or it is limited) to use PSD2 SCA exemptions (Strong Customer Authentication), especially when it comes to PIS (Payment Initiation Services). As a result, the competitiveness and innovation of services based on PIS is severely limited. Please note that in Poland the banks have provided access to PIS services based on a solution known as PayByLink, where the SCA is used in every transaction - PSD2 SCA exemptions are not supported by the API and solution design

2. Significant difficulties in applying the 'Trusted Beneficiary Exemption'

Secondly, we would like to draw the European Commission's attention to the fact that in business practice it is almost impossible to use the 'Trusted Beneficiary exemption'. To clarify, please note that most of the issuers of payment instruments do not provide opportunities for defining a Trusted Beneficiary.

3. The need for customer authentication by both the retailer and the issuer of the payment instrument

Thirdly, we would like to emphasize the lack of the possibility of transmitting the result of the risk assessment of the transaction and, if applicable, information about the customer authentication already carried out, to the payment instrument issuer. The lack of such a possibility results in the customer being authenticated by both the retailer and the payment instrument issuer. At the same time it is also worth pointing out that with card transactions managed by card schemes such a possibility exists. Unfortunately, known implementations of PSD2 PIS do not provide such an opportunity.

4. Negative impact of SCA implementation on the user experience during the payment process

Undoubtedly, the PSD2 has been effective in increasing consumers' confidence that their data will remain secure during transactions. However, we are concerned to see that some implementations of the SCA requirement cause a decrease of conversion rate during the payment resulting in a higher number of abandoned baskets and revenue lost while the fraud ratio stays untouched.

It is worth pointing out at this point that a convenient purchase process is a key to gain loyal and returning customers. Transaction monitoring solutions combined with payment instruments that allow applying SCA exemptions are a way to increase convenience during payments and limit the number of fraudulent transactions at the same time.

5. The lack of unification of services of each bank in the case of PIS and AIS

It is also worth emphasizing that in general in the case of PIS and AIS there is a lack of unification of services of each bank. It causes the need to integrate with each bank separately and on a different basis, which is expensive. The differences create some obstacles and often result in a mediocre user experience.

6. Higher costs

The other issue is higher costs, higher fees that, e.g. card schemes justify to the SCA. In our view, reducing costs would spread the usage of payment services.