

Mr. Valdis Dombrovskis
Vice-President
European Commission
Rue de la Loi 200

B - 1049 Brussels

Ref.: BEUC-X-2017-054/MGO/cm

22 May 2017

Re: PSD2 - Secure communication between banks and third party PSPs

Dear Vice-President Dombrovskis,

We would like to share our concerns related to the draft Regulatory Technical Standards on Strong Customer Authentication and common and secure communication under the revised Payment Services Directive (PSD2). The issue relates to the communication between banks and third-party payment service providers (TPPs).

Banks on the one side and FinTechs on the other are very actively lobbying on this file. Both sides claim that the solution promoted by the other side is to the detriment of consumers. Therefore, we wish to draw your attention to our proposal which, if implemented, would align the interests of consumers with those of all market actors.

Already in November 2013, during the negotiations of the draft PSD2¹, BEUC made it crystal clear that the consumers' personalised security credentials used to access their online banking should not be accessible to TPPs.

We are against what is now denominated as 'screen scraping'. The consumer would have to give the third party their security credentials while the third party would have access to data which is not necessary for the service it is providing. On this point, we share the concerns of the banking sector. In the explanatory document of the draft RTS published on 23 February, EBA states that 'screen scraping' should not be allowed.

At the same time, we agree with the FinTechs' manifesto² that if the current articles of the draft RTS about the communication interface are implemented, it will severely hamper the FinTech industry. These provisions would give each of the 6,000 banks in Europe the possibility to set up their own Application Programming Interface (API). It would be impossible for any Fintech to adapt its system to such a high number of applications. In other words, FinTechs would be pushed out of the market by incumbent banks because of all the different APIs.

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¹ http://www.beuc.eu/publications/x2013_079_fal_psd_revision-beuc_position.pdf

² <http://futureofeuropainfintech.eu/>

This is why we consider that the optimal solution would be to set up a unique and single EU-wide Application Programming Interface, without the possibility of specific routines, protocols or tools. Such API should be elaborated by a standardisation organisation.

You mentioned in your letter to BEUC of 22 March 2017 that you are very much in favour of the development of user-friendly innovative payments. We cannot agree with you more. We consider that a unique and single European API is the best solution. Screen scraping or a proliferation of dedicated APIs are not the way forward.

Yours sincerely,

Monique Goyens
Director General