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Briefing note on the application of strong customer authentication (SCA) to electronic payments

The Banco de España will review the migration plans submitted by payment service providers under the conditional flexibility envisaged by the European Banking Authority

Commission Delegated Regulation (EU) 2018/389 will apply as from 14 September 2019. One of its objectives is to strengthen the security of payments and reduce fraud in the authentication process. The Delegated Regulation establishes, inter alia, the requirements for the application of strong customer authentication (SCA). Consequently, as indicated by the European Banking Authority (EBA) in its [Opinion of 21 June](#), from the date the Delegated Regulation becomes applicable, all payment service providers (PSPs) must comply with the requirements established therein.

In the aforementioned Opinion of 21 June, the EBA recognises the complexity of the payment markets across the European Union and the need to instigate changes that will allow SCA to be applied by issuers, in particular by actors that are not payment service providers (PSPs), such as e-merchants.

In order to avoid possible negative consequences for some payment service users after 14 September, in its Opinion the EBA accepts that on an exceptional basis, the national competent authorities may work with PSPs and relevant stakeholders, including consumers and merchants, to provide limited additional time allowing issuers of payment instruments and acquirers to migrate to solutions that are compliant with SCA. This supervisory flexibility is available under the condition that PSPs have agreed on migration plans with their respective national competent authorities, and execute the plans in an expedited manner.

The Banco de España, in light of such flexibility, is working with European authorities to ensure compliance with Directive (EU) 2015/2366 on payment services (PSD2) and Delegated Regulation (EU) 2018/389, and will review the migration plans presented by the PSPs, in accordance with the Opinion of the EBA mentioned above.