



Die Grünen | Europäische Freie Allianz  
im Europäischen Parlament

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## Green Position on the SEPA Regulation - Draft

The regulation to establish a Single Euro Payments Area (SEPA) is currently debated in the European Parliament. This debate is an important opportunity to promote an efficient transition to this new payment scheme and simultaneously to increase its effectiveness as well as consumer protection. At this stage of the debate on SEPA, our position rests on the following seven pillars<sup>1</sup>:

**1. A phase-out period of 24 months:** a single end-date for credit transfer and direct debit as well as a phase-out period of 24 months (article 5) is endorsed. This stimulating framework makes the transition process more transparent for customers and investors. In the same way, the period of time when parallel payment schemes are run, is kept as short as possible. For these reasons, a single end-date and a 24 month period enable an effective transition from national schemes to SEPA.

**2. Fair costs of SEPA payments:** to provide SEPA services at effective and fair prices, customers should not have to pay higher fees for SEPA than they would have paid for comparable credit transfers and direct debits. Therefore, the regulation should establish an accordant price cap (article 6). Moreover, multilateral interchange fees (MIFs) should be phased-out on a diminishing scale to ensure a transition and simultaneously to gradually reduce consumers' costs.

**3. Promotion a European point of sale/ELV system:** the success of the point of sale system (in Germany known as elektronisches Lastschriftverfahren (ELV)) is based on its comparatively low-costs and its practicality. Therefore, it provides a cost-efficient alternative to credit card payments and should be established as an intra European payment service. This aspect may be included in article 4.

**4. Conservation of the point of sale system:** the point of sale system has proven to be successful, especially in Germany. The payer uses a card at the point of sale to initiate the payment transaction. However, the underlying payment scheme is a direct debit. The card is only used for a read-out in order to facilitate an electronic generation of the mandate, which has to be

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<sup>1</sup> The articles mentioned in the following text refer to the respective articles of the European Commission's draft proposal

signed by the payer at the point of sale. Because of its substantial transaction volume, this payment service cannot be classified as a niche product in the regulation, but must be conserved until an adequate SEPA substitute is available (article 7).

**5. Protect consumers against fraud:** The SEPA scheme will provide European creditor banks with the opportunity to debit amounts in Euro from European debtors' banks. This provision is necessary to facilitate the payment process, but also exposes customers to an increased risk of fraud and misuse. In order to protect them adequately, an effective right to be refunded as well as a check and blocking of debit transactions are essential (article 5). These measures will enhance consumers' trust in SEPA and thereby foster the transition.

**6. Increase transparency and democratisation of the European Payment Council (EPC):** The EPC has been playing a prominent role influencing the structure and implementation strategy of SEPA, at the same time largely ignoring consumers' demands. Therefore, it is necessary to take advantage of the SEPA debate through exploring the potential for more transparency and a democratisation of the EPC.

**7. Assisting consumers during the transition to SEPA:** This can be achieved at low-costs through services, which convert the BBAN of the payer and the payee technically secure into the respective IBAN.

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