



# **Verification of Payee (VoP)**

## – Frequently Asked Questions (FAQ)

# Verification of Payee (VoP)

The European Instant Payments Regulation (IPR) includes new requirements for Payment Service Providers (PSPs) to provide a Verification of Payee (VoP) service to customers who are sending SEPA Credit Transfers (SCT) and SEPA Instant Credit Transfers (SCT Inst) between payment accounts in the Eurozone, where the payee PSP is legally required to verify the payee details.

The VoP service will be introduced from 9th October 2025 and will help customers to check they are sending payments to the intended recipient (payee) by verifying the account name and IBAN (or other identifier information).

## What is Verification of Payee (VoP)?

The VoP service aims to prevent misdirected payments and reduce fraud by alerting customers if the details don't match before they decide to authorise the payment. When a customer enters or sets up a new payment on an individual basis or as part of a package or file, they enter or provide payee details (name, IBAN or other identifiers), the customer's PSP sends these to the payee's PSP and they send a response to verify if the details match or not. The customer's PSP will share the results, setting out if the details are a match, close match, or do not match. The customer can then decide if they want to proceed with the payment.

## How VoP operates:

VoP helps customers to check if they are sending payments to the intended payee, providing an enhanced level of security before a payment is processed using the following steps:-

1. The payer initiates a payment by providing the payee's name and IBAN to its PSP.
2. The payer's PSP sends a VoP request to the payee PSP.
3. The payee PSP verifies the provided information against its records.
4. The payee PSP sends a VoP response back to the payer's PSP
5. The payer's PSP informs the payer about the result of such verification by the beneficiary's bank which may be:
  - **Match** – the name provided matches the name on the payee account.
  - **Close Match** – the name provided almost matches but is not exactly the same. The account name provided by the payee PSP will be displayed as well as the IBAN entered by the customer.
  - **No Match** – the name provided does not match the account details held by the payee's PSP.
  - **Verification Not Possible** – the VoP check cannot be completed, this could be due to technical issues or other reasons including if the account is blocked/closed/does not exist or there is missing or incorrect data.

VoP provides real-time feedback, leaving the final decision to the payer about whether to authorise a payment. VoP is not intended to stop or block payments. Corporate customers must adapt their internal processes to manage the VoP results which are not a match and ensure transactions are sent to the right account. With mandatory compliance deadlines approaching, businesses must take proactive steps to ensure a smooth transition. The priority is to review internal workflows and define how VoP results will be handled in payment approval processes. Finance and treasury teams should also be trained to interpret VoP responses, especially in cases where the VoP check does not provide a match. System updates may be required to integrate new

transaction statuses and VoP verification codes. Businesses using ERP or treasury management systems should verify whether modifications are needed to support these changes. For bulk payments, corporates must decide whether to Opt-in or Opt-out of VoP checks.

Below are some of the Frequently Asked Questions (FAQs) to help you on Verification of Payee (VoP).

## Frequently Asked Questions (FAQs)

### 1. What does VoP mean for our corporate customers?

Verification of Payee (VoP) service will be available from 9<sup>th</sup> October 2025 on HSBC's online banking channels including screen journeys on HSBCnet, HSBCNet Mobile as well as on file-based journeys using HSBC Connect, SWIFT FileAct, EBICS (France and Germany), SFTP (France) and Multiweb (Germany) for in scope transactions. Some functions and features will be made available at a later date. The service aims to give customers greater confidence when making payments, to ensure that they are paying the correct payee.

**Payments made to you:** If you have a EUR account in one of the HSBC presence countries France, Italy, Belgium, The Netherlands, Ireland, Spain, Malta, Germany or Luxembourg, from 9<sup>th</sup> October 2025, we will provide a response to VoP requests received from payer's PSPs. The account details you provide to the person or business who is trying to pay you will be VoP checked against the actual name held on your account.

The name we hold on your account might not be the name the person is inputting – for example they may be inputting 'ABC' where your account name is 'ABC Limited'. If you are not sure, you can check your account or statement on your online banking channel or contact your HSBC Representative.

As a best practice, please make sure you provide whoever is making the payment with your legal business name (as held on your account) and ensure that the name you use on your invoices matches the name registered to your account.

**Payments you make:** If you are a payer and have a EUR payment account in HSBC presence countries France, Italy, Belgium, Ireland, The Netherlands, Spain, Malta, Germany or Luxembourg, you will be able to verify the payee details before proceeding with your SEPA payment. If the payee has an account within the EUR-zone, you can expect to receive an answer if the payee's PSP is reachable for the VoP service. Unless you choose to Opt-out, when you make a SCT or SCT Inst payment, a VoP check will be initiated to check the name and IBAN provided with the payee's PSP. You will be notified immediately as to whether the payment details you have entered are a match, a close match, or no match, or if it was not possible to carry out a VoP check. You will then be able to decide if you want to proceed with the payment or follow our recommendation to carry out additional payee checks.

It is important that you review and verify the information in your Accounts Payable or Master Vendor Data in your ERP or other payment systems. In order for a full match response, the payee's name must match the name held by the payee's PSP, along with the corresponding account details.

VoP is a pre-payment check and therefore, once the name has been checked you still have to authorise the payment to be made as a final step (Exception: Pre-Authorised File Journeys; Refer to questions below).

For joint accounts, the full first and last name of either individual account holder will be used for the VoP check.

### 2. What should I do if I get "Close match"?

This means the details almost match but are not exactly the same. The account name provided to us by the payee's PSP will be displayed as well as the IBAN entered by the Payer. If you proceed with the payment there's a risk the payment might be sent to the wrong account, or you are sending funds to a fraudster. You should exercise caution and double-check the details with the payee using contact details you have received from an independent source before proceeding with the payment.

### **3. What should I do if I get "No match"?**

If you receive a no match, first check you have entered the details correctly. If you have, we advise you to contact the person or business you are trying to pay, to obtain the correct account name and account number before making any payments. You should use contact details you have received independently, do not rely on contact details recently received via e mail, telephone or invoice. If, after checking with the person or business you are trying to pay, they inform you that the details are correct, we recommend that you request they contact their payment provider/bank, to confirm that the details held on their account match those provided to you.

If you proceed with the payment without getting a VoP match result, the funds may be sent to an account which is not held by the intended payee, you may also send money to a fraudster and HSBC may be unable to recover the funds.

### **4. What should I do if I get "Verification Not Possible" response?**

A "Verification Not Possible" response can occur for several reasons including:-

- The payee's PSP is not reachable or does not support VoP
- A technical issue has occurred
- The format of the request is incorrect (e.g IBAN format incorrect)
- Account is closed/blocked/does not exist

If the VoP service is unavailable at the time of checking due to a technical issue or there is another possible reason for the failure, we may advise you to try later. If the situation continues despite multiple re-tries, you must contact the person or business you are trying to pay and ask them to check with their bank why the VoP check is not possible. If you proceed with the payment without getting a VoP match result, the funds may be sent to an account which is not held by the intended payee, you may also send money to a fraudster and HSBC may be unable to recover the funds.

### **5. Can the VoP check help if an account is closed?**

No, VoP only verifies the match between the payee's name and the IBAN. It does not include an account status check or indicate whether an account is open or closed. It is most likely that the VoP will fail and you would see "Verification Not Possible" for a closed account.

### **6. When will the VoP check be done for file-based journey?**

For online channels like HSBCnet file upload, the VoP check is performed before payment authorisation, not at the time of execution. This means that discrepancies will have already been flagged before validation and you will be able to see the results of the VoP check and decide whether you wish to progress with the payment.

For a pre-authorised signed file sent via Host-to-Host 2H channels (e.g. HSBC Connect), the VoP will be done at the reception of the file if you opt-in.

### **7. Is it mandatory to perform VoP check for me as a customer?**

When you are initiating single payments, in the online screen channels, a VoP check must be carried out. You can choose if you want to proceed with the payment once you have received the VoP result. As a corporate customer sending multiple payment transactions in one file or using batched payments, you will have the option to opt-out from the service.

#### **8. How will VoP checks work for joint accounts with two names, if the payer only knows one (for example, when making salary payments to one of the joint account holders)?**

If the account is a joint account, such as for a married couple, the VoP check will be carried out on either of the names on the account. The payee PSP will check the name provided by the payer against all account holders, and if there is a match for at least one, the result will be 'Match'. In case of Close Match, it is expected that the name of the payee which is a close match will be provided.

#### **9. How will I use VoP on Host-to-Host channels, will this need to be configured per Host-to-Host (H2H) channel or per file?**

For Host-to-Host (H2H) channels, VoP will be available based on a specific request type and will be applied on a file-by-file basis. This means depending on the file extension that you use, you will indicate to us whether you wish to –

1. Opt-out of the service
2. Opt-in to the VoP Service or
3. Use the VoP Pre-validate service (called VoP on Demand) on a stand-alone basis (prior to the payment journey)

You will opt-out based on the file processing format selected. **By using the same SCT/SCT Inst payment file format as used before 9th October 2025, you will indicate to us that you wish to Opt-Out of VoP and the payments file will be processed as they are today.** More details of the file types to be used to Opt-in and/ or use Pre-Validate Service are available on the Message Implementation Guide or you can speak with your HSBC Representative.

#### **10. What should I do if I wish to Opt-Out of the VoP Service?**

To minimize the impact on your transaction processing, you don't need to do anything additional to opt-out of the VoP service. You can continue to use the same SCT/SCT Inst file format as used before 9th October 2025. This will indicate to us that you wish to Opt-Out of VoP and the payment file will be processed as they are today.

#### **11. How will I receive the results for VoP check?**

For screen-based payments, including payments which are submitted via file upload, the VoP check results will be made available on the channel. You will be able to see the results of the VoP check and decide whether you wish to progress with the payment or not.

For a pre-authorized file sent via Host-to-Host channels (e.g. HSBC Connect), the VoP results will be available through Payment Status Reports (PSR - Pain.002) sent via the channel of your choice (the same channel where you receive your PSRs today).

If you use ERP systems, VoP results will be included in the PSR. If the file is signed as Opt-out, there will be no change to the current processes. If the file is signed as Opt-in option, you will need to adapt your systems to integrate the PSR (Pain.002).

## **12. Where can I find more details of the Payment Status Reports (PSR) for the VoP results?**

To find more details of the Payment Status Reports for the VoP service, please refer to the Message Implementation Guide or speak with your HSBC Representative.

## **13. What happens if a pre-authorised batch file containing one or more transactions is not a VoP match?**

For a pre-authorised file sent via Host-to-Host channels (e.g. HSBC Connect), if a batch file contains one or more transactions that fails VoP (i.e. No match, Close Match or Verification Not Possible), HSBC will send you the VoP results through Payment Status Reports (PSR) (Pain.002) via the channel of your choice. Upon reviewing the VoP results, you will need to make a decision whether you wish to progress with the transactions using either the Opt-Out or undertaking a further VoP check using the VoP on Demand service, to verify the details and submit your instructions accordingly. On the other hand, if all transactions in the batch file pass the VoP check (full Match), you don't have to do anything, HSBC will directly process the instructions. Please refer to the Message Implementation Guide for further details.

## **14. How will HSBC undertake a VoP check if a single transaction is sent via file upload?**

Please note that our bulk submission channels (HSBC-Connect, SWIFT FileAct, HSBCNet File Upload etc.) are only intended for the submission of multiple payments as a package/file and these channels should not be used for single transactions. An Opt-out from the VoP service is available for all bulk submissions. It is recommended that you have carried out a VoP check using the VoP on Demand service, prior to using the Opt-out file submission option. Failing to do so, might result in payments not reaching the intended payee or being sent to a fraudster and you may not be able to recover the funds. Alternatively, you could use the VoP File Opt-in option to undertake a VoP check when submitting.

## **15. Can I do something to pre-validate my payees?**

Yes, HSBC will offer you a pre-validation file option for payments in scope of the VoP service. Using this, you will be able to see the results of the VoP check. HSBC will send you the VoP results via the channel of your choice. To find more details of the file types to be used for the pre-validation VoP service i.e. **VoP on Demand service**, please note this service must only be used to validate a payee where a clear intention to make a payment exists.

## **16. How will HSBC respond to VoP check requests for Virtual accounts held by Corporates in HSBC?**

There will be specific rules for virtual accounts to support customers who are using these accounts. These include carrying out the VoP against the name on the virtual account first, further checks may also be carried out before a response is provided.

## **17. I / we don't subscribe to this service prior to October, can we do so at a later stage?**

For screen entry transactions the service is mandatory and will be initiated automatically when you want to make a payment which is in scope of IPR. For file-based transactions, the VoP service can be activated using the Opt-In option (or using the VoP on Demand service)

## **18. How will confidential files be treated - such as payroll files - will unauthorised people not know the content?**

The VoP service is independent from the file content (suppliers, payroll). For file submissions, you will have three options: Opt-out, Opt-In or VoP On Demand service. However, access to HSBCnet reports including VoP are subject to entitlement access to VoP statement. It is up to the administrator to provide appropriate entitlements to the users.

**19. Can VoP be used for international payments in Europe?**

Currently the only payments in scope under Instant Payment Regulation (IPR) are SEPA transfers: SCTs and SCT Inst between payment accounts in the Eurozone.

**20. Will VoP be free of charge?**

IPR requires that the VoP check prior to payment authorization is carried out free of charge. The VoP on Demand service will also be free of charge for HSBC clients in 2025.

**21. In order for my incoming transactions to match the VoP check, which name should I advise my clients to use in order to pay me?**

Please look in your HSBC statements / Account Information on HSBCnet to validate the exact name HSBC holds against your account. Alternatively, you can contact your HSBC Representative for confirmation of the full Legal Entity name we have in our records.

**22. When making payments through a TMS, who will receive the alerts on the TMS?**

The Payment Status Report (PSR) /VoP Status Report (VSR) will be delivered as agreed in your contract. Please contact your TMS provider to look into automatic integration.

## **Contact Information**

This factsheet has been prepared to provide general information about our Verification of Payee service. As ever, we would be very happy to answer any questions you may have or discuss any aspect in greater depth.

Please contact your HSBC Representative or visit our website: [www.hsbcnet.com/sepa](http://www.hsbcnet.com/sepa) for more information.

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