



Payment Services Guide

A guide to Payment Services, as they apply to your services with HSBC

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What does this guide do?

This guide provides explanations relating to the **Payment Services Regulations (PSRs)** in the UK and **The Second Payment Services Directive (PSD2)** across the EEA, as they apply to the services provided to:



You (the “**Customer**”),



By us, (the “**Bank**”).

There are emboldened terms that feature in this Guide. These will either be defined in this Guide or, if not, the definition can be found in the Definitions clause of the **Master Services Agreement**.

! What do we mean by ‘PSD’ and the ‘PSRs’?

PSD2 means The Second Payment Services Directive which has been transposed into national law by countries within the European Economic Area (**EEA**). We call those national laws ‘**Local PSD Laws**’ in this Guide.

PSRs means the Payment Services Regulations 2017 which apply in the United Kingdom.

Introduction

In the United Kingdom, the PSRs govern certain of the services we provide to you.

The PSRs set out a number of requirements which the Bank has to follow. For example, they set out the timescales which should be met for the initiation and execution of payment transactions. They also set out the Customer’s rights and obligations. For example, obligations on the Customer relating to keeping payment instruments and personalised security credentials safe.

In the rest of the EEA, PSD is in place, which also sets out the requirements which should be met by the Bank when providing payment services and Customer rights and obligations. Each country in the EEA has taken PSD and written laws for their own country which reflect what PSD says (**Local PSD laws**).

Coverage

The rights and obligations in the PSRs/Local PSD Laws will only apply to certain types of payments.

When making or receiving a payment, whether the PSRs/Local PSD Laws apply depends, for example, on:

- where the bank of the payer/payee is located;
- the currency of the payment; and
- the payment scheme which is going to be used to make the payment (e.g. SEPA, SWIFT, etc).

Requirements for Instructions

In order for an Instruction to make a payment to be properly executed, the Customer needs to provide the Bank with certain information.

The information the Bank requires will depend on the currency of the payment and the location of the payee's account and will be:

- the payee's bank's sort code and payee's account number; or
- the payee's international bank account number (IBAN);
- the bank identification code (BIC) or other relevant identification of the payee's bank together with the payee's international bank account number (IBAN) or other relevant account number, and/or
- such information as the Bank may advise the Customer from time to time (which may include the payee's full name).

The Bank will make a payment on the Customer's behalf to the relevant payee within specific timescales. For example, if the Customer instructs the Bank to make a single immediate electronic sterling payment to an account with a provider based in the UK, the Bank will send the funds to the payee's bank by the end of the **Business Day** following the day of receipt of the Customer's complete Instruction. If the same payment was to be made but the Customer instead gave their Instruction on paper, the Bank would make the payment to the payee's bank by the end of the second Business Day following the time of receipt of the Customer's complete Instruction.

[If the Customer's Instruction is received after the deadline specified in any reference material provided or made available to the Customer by the Bank or on a non-**Business Day**, the Bank will assume the Customer's Instruction has been received on the next **Business Day**.]

! What do we mean by 'Business Day' when the Customer is making a payment?

[Subject to validation from GPS Team].

Third Party Providers (TPPs)

The PSRs and Local PSD Laws allow customers to use TPP services. There are two main types of TPP under the PSRs and Local PSD Laws: Payment Initiation Service Providers (**'PISPs'**) and Account Information Service Providers (**'AISPs'**).

If a Customer holds a payment account (e.g. a current account) with the Bank (an **'ASPSP'**) which is accessible online, a PISP will be able to initiate payments on behalf of the Customer from the Customer's account with the Bank. An AISP will be able to provide a Customer with consolidated information on one or more payment accounts that the Customer holds with the Bank and/or other providers (for example, the AISP could provide an account aggregation service to the Customer).

Under the PSRs/Local PSD Laws, the Bank is responsible for giving PISPs and AISPs access to any payment accounts which are accessible online.

TPPs are required to have a licence from the regulator in their home country and TPPs who are licensed in the EEA can also get passporting rights to operate in other EEA countries. Before a TPP can access customer accounts or initiate payments, a TPP has to meet certain requirements, such as identifying itself to the ASPSP and acting in accordance with the requirements of the PSRs/Local PSD Laws. A TPP cannot hold client funds.

If a Customer wants to use TPP services, the terms which apply to the ASPSP services will still apply.

Before entering into an agreement to receive TPP services, the Customer should check that the TPP is authorised by the relevant regulator, to carry out the services. The TPP must have permission from the Customer to carry out activities on their account. If a Customer provides security details to a TPP, the Bank will assume that it is the Customer who is allowing them to see account information and initiate payments. As a result, the Customer will be responsible for any losses which it suffers as a result.

If a Customer notices a problem with a payment while using a TPP, they should contact the Bank as soon as possible.

Key roles: Who is who

