SmartSuite

Framework / Financial Services Regulation / Other

PSD2 (Directive (EU) 2015/2366)

PSD2 (Directive (EU) 2015/2366) regulates EU payment services: licensing, regulated third-party account access, strong customer authentication and refunds for unauthorized payments.



What it is

The revised Payment Services Directive (PSD2, Directive (EU) 2015/2366) regulates payment services in the European Union: it licenses payment institutions, gives licensed payment initiation and account information providers access to customers' payment accounts, requires strong customer authentication for online and remote payments, and sets refund and liability rules for unauthorized payments. Member States had to apply it from January 13, 2018.

The European Parliament and the Council adopted it on November 25, 2015. National competent authorities license and supervise payment service providers, and the European Banking Authority (EBA) issues technical standards and guidelines under it. It applies to banks, payment institutions, e-money institutions and the providers of payment initiation and account information services, as the categories of provider in Article 1 and the services in Annex I show.

At a glance

PUBLISHER
European Parliament and Council of the European Union

TYPE
Regulation

VERSION
Directive (EU) 2015/2366

EFFECTIVE
January 13, 2018 (national measures apply)

DOMAIN
Financial Services Regulation

FAMILY
Other

REGION
European Union

INDUSTRY
Payment & FinTech

ADOPTION MODEL
Regulatory Compliance

IMPLEMENTATION COMPLEXITY
High

Source: finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/payment-services-directive_en

Why it matters

- **Regulated third-party access** Payment initiation and account information service providers can access payment accounts with the customer's explicit consent, and banks must allow it (Articles 36, 66 and 67).
- **Strong customer authentication** Providers apply strong customer authentication when the payer accesses an account online, initiates an electronic payment or acts remotely in a way that may imply fraud risk (Article 97(1)).
- **Fast refunds** The payer's provider refunds an unauthorized payment immediately and in any event by the end of the following business day (Article 73(1)).
- **Capped consumer losses** A payer may bear losses from a lost or stolen payment instrument only up to EUR 50, with exceptions such as fraud (Article 74(1)).

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How SmartSuite supports PSD2

Authorization and Capital Evidence

Record the license, capital calculations and professional indemnity cover with expiry and review dates (Articles 5 and 7).

Operational and Security Risk Framework

Maintain the risk assessments, mitigation measures and the annual assessment sent to the competent authority (Article 95).

Strong Customer Authentication Controls

Map each access and payment flow to its authentication factors, dynamic linking and exemptions (Article 97).

Major Incident Reporting

Time each major incident against the notification to the authority and the message to affected users (Article 96).

Unauthorized Payment Claims

Track claims, evidence of authentication, refund deadlines and the EUR 50 liability cases (Articles 71 to 74).

Third-Party Access Register

List payment initiation and account information providers with access, their consent evidence and any access denials with reasons (Articles 66 to 68).

Common framework mappings

EU DORA | GDPR | EBA GL/2019/04 | NIS2 (EU 2022/2555) | PCI DSS 4.0.1 | ISO 27001:2022

Official resources

Payment Services Directive (PSD2) Text

Defines the legal framework and requirements for the Payment Services Directive.

eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015L2366

PSD2 Implementation Guidelines

Provides guidelines for implementing PSD2 requirements across financial institutions.

eba.europa.eu/regulation-and-policy/payment-services-and-electronic-money

EBA Regulatory Technical Standards for PSD2

Describes the technical standards for strong customer authentication and secure communication.

eba.europa.eu/legacy/regulation-and-policy/regulatory-activities/payment-services-and-electronic-money-0

PSD2 Compliance and Risk Management Overview

Outlines compliance requirements and risk management processes for PSD2 adherence.

ecb.europa.eu/press/intro/mip-online/2018/html/1803_revisedpsd.en.html

Frequently asked questions

What does PSD2 require from payment providers?

Authorization and supervision, an operational and security risk framework (Article 95), strong customer authentication (Article 97), notification of major incidents (Article 96) and clear rules on consent, refunds and liability for unauthorized payments (Articles 64 and 71 to 74).

What is strong customer authentication?

PSD2 requires it when a payer accesses a payment account online, initiates an electronic payment or acts through a remote channel that may imply fraud risk. For remote electronic payments the authentication must dynamically link the transaction to a specific amount and payee (Article 97).

Who can access a customer's bank account under PSD2?

Licensed payment initiation and account information service providers, with the customer's explicit consent. The bank holding the account must allow this and may deny access only for objectively justified, evidenced reasons relating to unauthorized or fraudulent access (Articles 36, 66, 67 and 68).

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How fast must a payment provider refund an unauthorized payment?

Immediately, and in any event no later than the end of the following business day after noting or being notified of the transaction, except where the provider has reasonable grounds to suspect fraud and informs the authority (Article 73(1)). A payer's loss from a lost or stolen instrument is capped at EUR 50 in defined cases (Article 74).

Is PSD2 still the current EU payments law?

Yes, as of October 14, 2026. A proposed third payment services directive and a payment services regulation would replace it, but they were not reported in force. Member States apply PSD2 through national law.

License included / downloadable: Yes The Directive is EU law published in the Official Journal and is included with the platform for reference.

Full framework page and mappings: smartsuite.com/frameworks/eu-psd2-payment-services-directive-directive-eu-2015-2366