

## ECTA, ETNO & GSMA JOINT STATEMENT ON THE EUROPEAN PARLIAMENT PROPOSALS TO PAYMENT SERVICES REGULATION AFTER THE PLENARY VOTE

23 April 2024

Today, the European Parliament voted on a report proposing amendments to the European Commission's proposal for a revised Payment Services Regulation.

The European telecommunications industry recognises the importance of revising payment service rules to improve consumer protection in electronic payments. We are keen to work closely with the banking sector to **fight against impersonation fraud**.

Therefore, we call policymakers to find a **proportionate and workable solution** by deepening cooperation between the two sectors **without changing the liability** regime.

To be effective in fighting impersonation fraud and safeguarding consumers, the final text should strike the right balance and ensure that any additional obligations on telecommunications providers are aligned with what is **legally and technically feasible**.

The telecoms industry supports the European Commission's proposal for closer cooperation between the banking sector and telecommunications operators in the fight against impersonation fraud. While there are numerous cooperation tools between the two sectors in several Member States, the industry is ready to further enhance and develop such cooperation to effectively fight against impersonation fraud.

**We note with concern** that the European Parliament deviates from the concept of enhanced cooperation and proposes a **transfer of liability** from the banking sector to the telecoms sector<sup>1</sup>.

This is disproportionate and it raises serious reservations insofar as it **conflicts with current technical and legal constraints** that govern the provision of electronic communications services according to EU legislative provisions applicable to telecommunications operators (net neutrality, secrecy of communications, prohibition of generalized network surveillance, technical controls workable on voice networks etc.).

To be effective in fighting impersonation fraud and safeguarding consumers, the upcoming Regulation needs to **strike the right balance** and duly consider the **roles of the various players** in the chain.

It must be stressed that telecommunications operators only have oversight of a very small part of the process when impersonation fraud leads to financial fraud. In fact, they are only carriers (mere conduits) of the information to the recipient and do not have visibility or control over the contents of communications (in the same way that a postal man cannot be expected to police or be blamed for the content of letters they deliver, nor is he legally authorized to open these letters to read their content). For example, operators are limited in their ability to monitor the content of an SMS and to remove it from the customer's device once it is delivered.

**Considering these concerns, we call on policy makers to adopt a proportionate and balanced approach in the next phase of the legislative process.**

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<sup>1</sup> In particular, the Recital 81 and Article 59 of the amended text, which is approved today by the European Parliament, as well as the Article 2, comma 9a critically stating that *"The provisions of Article 59 shall also apply to electronic communications service providers and online platforms."*