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## EXPLANATORY NOTE

*(This note does not form part of the Regulations)*

These Regulations implement Directive [2007/64/EC](#) of the European Parliament and of the Council on payment systems in the internal market (OJ No L 319, 5.12.2007, p. 1). A Transposition Note setting out how this Directive will be transposed into UK law is available from the Payments, Credits and Inclusion Team, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ. An impact assessment has also been prepared. Copies of both documents have been placed in the library of each House of Parliament and are available on HM Treasury's website ([www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)).

Parts 2 to 4 of the Regulations establish an authorisation regime for certain providers of payment services (broadly, those which are neither credit institutions nor e-money institutions, such as money remitters and mobile phone operators). Part 2 of the Regulations requires the Financial Services Authority ("the FSA") to establish a register of payment service providers and sets out the procedures and conditions for registration; it also sets out the circumstances in which registration may be varied or cancelled. Those payment service providers required to be registered under the Regulations must be registered either as authorised payment institutions (regulations 5 to 11) or as small payment institutions (regulations 12 to 15), depending on the value of payment transactions that they execute and whether they are seeking to establish a branch or provide services in another Member State.

Part 3 of the Regulations sets out the requirements to be met by authorised payment institutions and provides the mechanism for them to establish a branch or provide services in another Member States. These requirements include meeting capital requirements (regulation 18 and Schedule 3) and safeguarding users' funds (regulation 19). The institution must keep records and provide information to the FSA about accounts and outsourcing (regulations 20 to 22). Regulations 23 to 26 deal with the provision of services in another Member State, including through a branch.

Part 4 of the Regulations sets out certain requirements to be met by authorised payment institutions and small payment institutions. It sets out the activities in which such institutions are entitled to engage and imposes conditions in respect of the granting of credit, the use of payment accounts and the provision of services through an agent (regulations 27 to 30). Regulation 31 provides for the responsibilities of an institution that relies on a third party for the provision of a payment service (for example, through an agent or outsourcing). Institutions have a duty to notify the FSA of any change in their circumstances relevant to the conditions of their registration (regulation 32).

Part 5 of the Regulations sets out the requirements to be met by all payment service providers (credit institutions, e-money institutions, authorised payment institutions and small payment institutions) in relation to the provision of information to payment service users. There are separate provisions for single payment service contracts (regulations 36 to 39) and framework contracts (regulations 40 to 46). There are also common provisions including a prohibition on charging for certain information (regulations 47 to 50).

Part 6 of the Regulations makes provision for the rights and obligations relating to the provision of payment services. It makes provision for matters including consent to payment transactions (regulation 55), unauthorised or incorrectly executed payment transactions, liability for unauthorised payment transactions (regulations 59 to 62), refunds, execution of payment transactions, execution time and the liability of payment service providers (regulations 63 to 79).

Part 7 of the Regulations makes provision in respect of the FSA. In particular, it confers on the FSA functions in relation to the supervision and enforcement of certain provisions of the Regulations (regulations 80 to 91). Regulation 95 and Schedule 5 apply certain provisions of primary and secondary legislation (with modifications) in respect of the FSA's functions under the Regulations.

**Changes to legislation:** *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Payment Services Regulations 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Part 8 of the Regulations makes provision in relation to access to payment systems. Regulation 96 sets out the scope of the application of the Part and regulation 97 prohibits restrictive rules on access to payment systems. Regulations 98 to 109 confer functions on the Office of Fair Trading (“the OFT”) in relation to the supervision and enforcement of the prohibition in regulation 97.

Part 9 of the Regulations provides for criminal offences. Regulation 110 makes it an offence for a person to provide payment services in the United Kingdom unless it is an authorised or small payment institution or one of the other permitted categories of payment service provider. There are offences relating to false claims to be a payment service provider, misleading the FSA or the OFT and the provision of information about currency conversion and charges (regulations 111 to 114). Regulations 121 to 125 make transitional provision including provision for financial institutions and other categories of persons to continue to provide payment services for a limited period of time, without seeking authorisation or registration (although the rights and obligations under Parts 5 and 6 will apply). Regulation 126 and Schedule 6 provide for amendments to primary legislation, including an amendment to Part 16 of, and Schedule 17 to, the Financial Services and Markets Act 2000 to enable the Financial Ombudsman Scheme to apply to payment service providers.

### Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Payment Services Regulations 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

### Changes and effects yet to be applied to :

- Sch. 1 para. 2(h) words inserted by S.I. 2017/1064 Sch. para. 31
- Sch. 2 para. 6 words substituted by S.I. 2017/692 Sch. 7 para. 24(8)(a)
- Sch. 2 para. 6 words substituted by S.I. 2017/692 Sch. 7 para. 24(8)(b)
- Sch. 3 para. 19(d) words substituted by S.I. 2012/1791 reg. 3(6)
- Sch. 3 para. 5 words substituted by S.I. 2013/3115 Sch. 2 para. 70(6)
- Sch. 4A inserted by S.I. 2014/366 art. 12(4)
- Sch. 5 Pt. 1 para. 3(d)(i)(aa)(d)(e) inserted by S.I. 2014/366 art. 12(5)(a)
- Sch. 5 para. 10(h) inserted Part 5 renumbered as Part 4A by S.I. 2015/1911 reg. 17(3)(e)
- Sch. 5 para. 10(e)(ii) inserted paragraph (4) renumbered as paragraph (1B) by S.I. 2015/1911 reg. 17(3)(d)(ii)
- Sch. 5 para. 2(c) and word omitted by S.I. 2013/472 Sch. 2 para. 155(6)(b)(vi)
- Sch. 5 para. 1(a) substituted by S.I. 2013/472 Sch. 2 para. 155(6)(a)
- Sch. 5 para. 3(b) substituted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(ii)
- Sch. 5 para. 3(d)(iv) substituted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(viii)
- Sch. 5 para. 3(k)(v) substituted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(x)
- Sch. 5 para. 4 substituted by S.I. 2013/472 Sch. 2 para. 155(6)(d)
- Sch. 5 para. 5(a)(iv) substituted by S.I. 2013/472 Sch. 2 para. 155(6)(e)(iv)
- Sch. 5 para. 7(c) substituted by S.I. 2013/472 Sch. 2 para. 155(6)(g)(i)
- Sch. 5 para. 10(a)(i) substituted by S.I. 2015/1911 reg. 17(3)(a)
- Sch. 5 para. 10(e)(i) substituted by S.I. 2015/1911 reg. 17(3)(c)
- Sch. 5 para. 1 substituted by S.I. 2016/163 art. 3
- Sch. 5 para. 2(a) word inserted by S.I. 2013/472 Sch. 2 para. 155(6)(b)(iv)
- Sch. 5 para. 5(a)(i) word substituted by S.I. 2013/472 Sch. 2 para. 155(6)(e)(ii)
- Sch. 5 para. 6(b)(i) word substituted by S.I. 2013/472 Sch. 2 para. 155(6)(f)(i)
- Sch. 5 para. 6(c)(i) word substituted by S.I. 2013/472 Sch. 2 para. 155(6)(f)(ii)
- Sch. 5 para. 10(e)(ii) word substituted by S.I. 2015/1911 reg. 17(3)(d)(i)
- Sch. 5 para. 2(a) words inserted by S.I. 2013/472 Sch. 2 para. 155(6)(b)(iii)
- Sch. 5 para. 2(b) words inserted by S.I. 2013/472 Sch. 2 para. 155(6)(b)(v)
- Sch. 5 Pt. 1 para. 7(c)(ii) words inserted by S.I. 2014/366 art. 12(5)(b)(i)
- Sch. 5 Pt. 1 para. 7(e) words inserted by S.I. 2014/366 art. 12(5)(b)(ii)
- Sch. 5 para. 2 words omitted by S.I. 2013/472 Sch. 2 para. 155(6)(b)(i)
- Sch. 5 para. 2 words substituted by S.I. 2010/22 Sch. 3 para. 189(a)
- Sch. 5 para. 2 words substituted by S.I. 2010/22 Sch. 3 para. 189(b)
- Sch. 5 para. 2(c) words substituted by S.I. 2010/22 Sch. 3 para. 189(d)
- Sch. 5 para. 3(a)(iii) words substituted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(i)
- Sch. 5 para. 3(f)(iii) words substituted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(ix)
- Sch. 5 para. 5 words substituted by S.I. 2013/472 Sch. 2 para. 155(6)(e)(i)
- Sch. 5 para. 6(d) words substituted by S.I. 2013/472 Sch. 2 para. 155(6)(f)(iii)
- Sch. 5 para. 7(e) words substituted by S.I. 2013/472 Sch. 2 para. 155(6)(g)(ii)
- Sch. 5 para. 10(e)(ii) words substituted by S.I. 2015/1911 reg. 17(3)(d)(iii)
- Sch. 5 para. 3(d)(ii) words substituted by S.I. 2017/692 Sch. 7 para. 24(9)
- Sch. 5 para. 10(h) words substituted by S.I. 2017/692 Sch. 7 para. 24(10)
- Regulations applied by S.I. 2015/2038 reg. 26
- Regulations applied (with modifications) by S.I. 2011/245 Sch. 6 Pt. 1
- Regulations functions modified by S.I. 2013/161 art. 56(1)(c)(ii)
- Regulations power to modify conferred by 2023 c. 29 s. 3 Sch. 1 Pt. 2
- Regulations revoked by 2023 c. 29 Sch. 1 Pt. 2
- Regulations revoked in part by S.I. 2017/752 Sch. 9
- reg. 1(2)(b)(vii) words substituted by S.I. 2010/22 Sch. 3 para. 178

- reg. 2 words inserted by S.I. 2015/422 reg. 2(2)(b)
- reg. 2 words omitted by S.I. 2015/422 reg. 2(2)(a)
- reg. 2(1) words inserted by S.I. 2011/99 Sch. 4 para. 21(a)(i)
- reg. 2(1) words inserted by S.I. 2013/3115 Sch. 2 para. 70(2)(b)
- reg. 2(1) words inserted by S.I. 2014/549 Sch. 1 para. 36(2)(a)
- reg. 2(1) words omitted by S.I. 2010/22 Sch. 3 para. 179
- reg. 2(1) words omitted by S.I. 2013/3115 Sch. 2 para. 70(2)(a)
- reg. 2(1) words omitted by S.I. 2014/549 Sch. 1 para. 36(2)(b)
- reg. 2(1) words substituted by S.I. 2011/99 Sch. 4 para. 21(a)(ii)
- reg. 2(1) words substituted by S.I. 2011/99 Sch. 4 para. 21(a)(iii)
- reg. 2(1) words substituted by S.I. 2011/99 Sch. 4 para. 21(a)(iv)
- reg. 2(1) words substituted by S.I. 2011/99 Sch. 4 para. 21(a)(v)
- reg. 2(1) words substituted by S.I. 2012/1809 Sch. Pt. 2
- reg. 2(1) words substituted by S.I. 2013/3115 Sch. 2 para. 70(2)(c)
- reg. 2(1) words substituted by S.I. 2013/3115 Sch. 2 para. 70(2)(d)
- reg. 2(1) words substituted by S.I. 2013/472 Sch. 2 para. 155(2)
- reg. 2(1) words substituted by S.I. 2017/692 Sch. 7 para. 24(2)
- reg. 6(7) words substituted by S.I. 2017/692 Sch. 7 para. 24(3)
- reg. 9(9) words substituted by S.I. 2010/22 Sch. 3 para. 180
- reg. 10(4)(5) words substituted by S.I. 2010/22 Sch. 3 para. 181
- reg. 11(5) words substituted by S.I. 2010/22 Sch. 3 para. 182
- reg. 11(7)(c) words substituted by S.I. 2010/22 Sch. 3 para. 182
- reg. 11(7)(e) words substituted by S.I. 2010/22 Sch. 3 para. 182
- reg. 11(11) words substituted by S.I. 2010/22 Sch. 3 para. 182
- reg. 13(4)(a) words substituted by S.I. 2017/692 Sch. 7 para. 24(4)(a)
- reg. 13(4)(d) substituted by S.I. 2011/2742 Sch. 2 para. 4
- reg. 13(4)(d) words omitted by 2010 c. 38 Sch. 1 para. 8(a)
- reg. 13(4)(d) words revoked by 2010 c. 38 Sch. 2 Pt. 1
- reg. 13(4)(d) words substituted by S.I. 2016/937 Sch. para. 4
- reg. 13(4)(e) words inserted by S.I. 2011/99 Sch. 4 para. 21(b)
- reg. 13(6) words substituted by S.I. 2017/692 Sch. 7 para. 24(4)(b)
- reg. 14(c) word substituted by S.I. 2012/1791 reg. 3(3)(a)
- reg. 14(d) substituted by S.I. 2012/1791 reg. 3(3)(b)
- reg. 14(e) words omitted by S.I. 2012/1791 reg. 3(3)(c)
- reg. 14(e) words substituted by S.I. 2012/1791 reg. 3(3)(c)
- reg. 18(2)(a) words substituted by S.I. 2013/3115 Sch. 2 para. 70(3)(a)
- reg. 18(2)(b) words substituted by S.I. 2013/3115 Sch. 2 para. 70(3)(b)
- reg. 19 applied (with modifications) by S.I. 2011/99 reg. 20(6)
- reg. 19(15) words substituted by S.I. 2013/3115 Sch. 2 para. 70(4)
- reg. 19(15) words substituted by S.I. 2015/575 Sch. 2 para. 28(2)
- reg. 19(15) words substituted by S.I. 2017/701 Sch. 5 para. 9(a)
- reg. 19(15) words substituted by S.I. 2017/701 Sch. 5 para. 9(b)
- reg. 24(4) words substituted by S.I. 2010/22 Sch. 3 para. 183
- reg. 24(6) words substituted by S.I. 2010/22 Sch. 3 para. 183
- reg. 25(4)(a) words substituted by S.I. 2017/692 Sch. 7 para. 24(5)
- reg. 26 omitted by S.I. 2013/1881 Sch. para. 40(a)
- reg. 29(3)(a)(iii) words deleted by S.I. 2012/1791 reg. 3(4)
- reg. 29(6)(c)(i) words substituted by S.I. 2017/692 Sch. 7 para. 24(6)(b)
- reg. 29(11) words substituted by S.I. 2010/22 Sch. 3 para. 184
- reg. 30(4)(5) words substituted by S.I. 2010/22 Sch. 3 para. 185
- reg. 42(1) word substituted by S.I. 2009/2475 reg. 4
- reg. 43 applied by S.I. 2015/2038 Sch. 3 para. 6(3)
- reg. 43(7) words substituted by S.I. 2009/2475 reg. 5
- reg. 47(1)(a) words inserted by S.I. 2009/2475 reg. 6(a)
- reg. 47(1)(b) words substituted by S.I. 2009/2475 reg. 6(b)
- reg. 47(2) substituted by S.I. 2009/2475 reg. 6(c)
- reg. 51(3)(a) words substituted by S.I. 2009/2475 reg. 7
- reg. 52(a) omitted by S.I. 2013/1881 Sch. para. 40(b)

- reg. 52(a) words inserted by S.I. 2014/366 art. 12(2)
- reg. 52(d) word substituted by S.I. 2010/1010 reg. 97(a)
- reg. 53(3) words substituted by S.I. 2011/99 Sch. 4 para. 21(c)
- reg. 62(4) substituted by S.I. 2013/3134 Sch. 4 para. 10(1)
- reg. 66(1)(c) words inserted by S.I. 2009/2475 reg. 8
- reg. 69(1) word inserted by S.I. 2009/2475 reg. 9(a)
- reg. 69(1)(b) substituted by S.I. 2009/2475 reg. 9(b)
- reg. 69(2) word inserted by S.I. 2009/2475 reg. 9(a)
- reg. 72(b) word inserted by S.I. 2009/2475 reg. 10
- reg. 83 revoked by 2012 c. 9 Sch. 2 para. 15(1)Sch. 10 Pt. 2
- reg. 86(5) words substituted by S.I. 2010/22 Sch. 3 para. 186
- reg. 89(5) words substituted by S.I. 2010/22 Sch. 3 para. 187
- reg. 92(1) words substituted by S.I. 2013/472 Sch. 2 para. 155(3)(a)
- reg. 92(1)(a) words substituted by S.I. 2013/472 Sch. 2 para. 155(3)(b)
- reg. 92(1)(b) word substituted by S.I. 2013/472 Sch. 2 para. 155(3)(c)(i)
- reg. 92(1)(b) words substituted by S.I. 2013/472 Sch. 2 para. 155(3)(c)(ii)
- reg. 92(1)(c) words substituted by S.I. 2013/472 Sch. 2 para. 155(3)(d)
- reg. 92A inserted by S.I. 2014/366 art. 12(3)
- reg. 94 word substituted by S.I. 2013/472 Sch. 2 para. 155(4)(a)
- reg. 94 words substituted by S.I. 2013/472 Sch. 2 para. 155(4)(b)
- reg. 97(1) words substituted by S.I. 2015/422 reg. 2(3)(a)
- reg. 97(2) words substituted by S.I. 2015/422 reg. 2(3)(b)
- reg. 97(3)(c) words substituted by S.I. 2015/422 reg. 2(3)(c)
- reg. 98 heading word substituted by S.I. 2014/549 Sch. 1 para. 36(3)
- reg. 98-100 words substituted by S.I. 2015/422 reg. 2(4)
- reg. 98(1) word substituted by S.I. 2014/549 Sch. 1 para. 36(3)
- reg. 98(2) word substituted by S.I. 2014/549 Sch. 1 para. 36(3)
- reg. 99 heading word substituted by S.I. 2014/549 Sch. 1 para. 36(4)
- reg. 99(1) word substituted by S.I. 2014/549 Sch. 1 para. 36(4)
- reg. 100(1) word substituted by S.I. 2014/549 Sch. 1 para. 36(5)
- reg. 102 word substituted by S.I. 2014/549 Sch. 1 para. 36(6)
- reg. 102 heading word substituted by S.I. 2014/549 Sch. 1 para. 36(6)
- reg. 102-109 words substituted by S.I. 2015/422 reg. 2(4)
- reg. 103 word substituted by S.I. 2014/549 Sch. 1 para. 36(7)
- reg. 103 heading word substituted by S.I. 2014/549 Sch. 1 para. 36(7)
- reg. 104(1) word substituted by S.I. 2014/549 Sch. 1 para. 36(8)
- reg. 104(4) word substituted by S.I. 2014/549 Sch. 1 para. 36(8)
- reg. 105 heading word substituted by S.I. 2014/549 Sch. 1 para. 36(9)
- reg. 105(1) word substituted by S.I. 2014/549 Sch. 1 para. 36(9)
- reg. 105(2) word substituted by S.I. 2014/549 Sch. 1 para. 36(9)
- reg. 105(5) words substituted by S.I. 2015/422 reg. 2(5)
- reg. 106(1) word substituted by S.I. 2014/549 Sch. 1 para. 36(10)
- reg. 107 word substituted by S.I. 2014/549 Sch. 1 para. 36(11)
- reg. 107 heading word substituted by S.I. 2014/549 Sch. 1 para. 36(11)
- reg. 108 word substituted by S.I. 2014/549 Sch. 1 para. 36(12)
- reg. 109(1) word substituted by S.I. 2014/549 Sch. 1 para. 36(13)
- reg. 109(2) word substituted by S.I. 2014/549 Sch. 1 para. 36(13)
- reg. 110(1)(e) substituted by S.I. 2011/99 Sch. 4 para. 21(d)
- reg. 114 heading word substituted by S.I. 2014/549 Sch. 1 para. 36(14)
- reg. 114 words substituted by S.I. 2015/422 reg. 2(4)
- reg. 114(1) word substituted by S.I. 2014/549 Sch. 1 para. 36(14)
- reg. 114(3) word substituted by S.I. 2014/549 Sch. 1 para. 36(14)
- reg. 114(4) word substituted by S.I. 2014/549 Sch. 1 para. 36(14)
- reg. 117 words substituted by S.I. 2015/422 reg. 2(4)
- reg. 117(1)(b) word substituted by S.I. 2014/549 Sch. 1 para. 36(15)
- reg. 119 heading word substituted by S.I. 2014/549 Sch. 1 para. 36(16)
- reg. 119 words substituted by S.I. 2015/422 reg. 2(4)
- reg. 119 cross-heading words substituted by S.I. 2015/422 reg. 2(4)



- reg. 119(1)-(3) word substituted by S.I. 2014/549 Sch. 1 para. 36(16)
- reg. 119(2) words substituted by S.I. 2017/692 Sch. 7 para. 24(7)
- reg. 121(1) words substituted by S.I. 2013/3115 Sch. 2 para. 70(5)
- reg. 121(9)(10) words substituted by S.I. 2010/22 Sch. 3 para. 188

**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch. 3 para. 19(a)(b) words substituted by S.I. 2012/1741 Sch. para. 11
- Sch. 5 para. 2(za) inserted by S.I. 2013/472 Sch. 2 para. 155(6)(b)(ii)
- Sch. 5 para. 3(ba) inserted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(iii)
- Sch. 5 para. 3(c)(iiia) inserted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(v)
- Sch. 5 para. 10(a)(iv) inserted by S.I. 2015/1911 reg. 17(3)(b)
- Sch. 5 para. 3(c)(i)(aa) omitted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(iv)
- Sch. 5 para. 2(a)(b) and word substituted by S.I. 2010/22 Sch. 3 para. 189(c)
- Sch. 5 para. 3(d)(i)(aa) substituted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(vi)
- Sch. 5 para. 3(d)(i)(bb) word substituted by S.I. 2013/472 Sch. 2 para. 155(6)(c)(vii)
- Sch. 5 para. 5(a)(iii)(bb) words substituted by S.I. 2013/472 Sch. 2 para. 155(6)(e)(iii)
- Sch. 7 inserted by S.I. 2009/2475 reg. 13
- reg. 10A inserted by S.I. 2009/2475 reg. 3
- reg. 13(4)(da) inserted by S.I. 2009/1912 reg. 4
- reg. 13(4)(da) substituted by 2010 c. 38 Sch. 1 para. 8(b)
- reg. 13(4A)-(4D) inserted by S.I. 2012/1791 reg. 3(2)
- reg. 29(3)(a)(ii)(aa) words substituted by S.I. 2017/692 Sch. 7 para. 24(6)(a)
- reg. 52(e) inserted by S.I. 2010/1010 reg. 97(b)
- reg. 80A inserted by S.I. 2015/1911 reg. 17(2)
- reg. 92(2)-(5) substituted for reg. 92(2) by S.I. 2013/429 reg. 2(4)
- reg. 109A inserted by S.I. 2015/422 reg. 2(6)
- reg. 110(1)(d)-(i) substituted for reg. 110(1)(d)(e) by S.I. 2009/2475 reg. 11
- reg. 125A inserted by S.I. 2012/1791 reg. 3(5)
- reg. 125B inserted by S.I. 2013/472 Sch. 2 para. 155(5)
- reg. 127 inserted by S.I. 2009/2475 reg. 12