CAPS Considerations on PSU Consent under PSD2
CAPS CONSIDERATIONS ON PSU CONSENT UNDER PSD2

OBJECTIVES

This white paper aims to

01 Present a joint opinion of the members of CAPS Open Framework that is believed to be a balanced and workable approach for the industry to move ahead on the topic of handling PSU consent under PSD2

02 Clarify the advantages for the post PSD2 payments ecosystem at large, especially the PSU, by creating a transparent method of sharing PSU consent information amongst all parties involved

03 Establish some base principles governing the attributes that could be exchanged via the TPP-ASPSP interface for further dialogue between stakeholders in the PSD2 ecosystem, amongst which there currently remains a degree of divergence in views.

04 In particular we aim to show that a crucial element – a shared reference code – is currently missing and is needed for the smooth functioning of PSU consent in any compliant model.

Setting the scene

With regards to the different PSD2 actors, their respective positions or intentions have been analysed as follows

01 ASPSPs are custodians of PSU’s payment data and are now obligated by PSD2 to supply this data to TPPs.

02 TPPs are consumers of PSU data and rely on speedy and accurate responses from ASPSPs to run their businesses.

03 PSU being owners of their own payment accounts and the data contained within those accounts expect that this data is not shared without their approval.
SOME ANALYSIS BASED ON PSD2 ARTICLES RELEVANT TO THE THREE XS2A USE CASES

In case of PIS, **Article 64** is clear in establishing the following:

Explicit consent is required to execute a payment transaction.

This consent may be given via the Payee or PISP.

Transaction without consent is an unauthorized transaction.

The procedure for giving consent shall be agreed between the payer and the relevant PSP(s).

For AIS, **Article 67**, similar in spirit to PIS, clearly imposes the pre-requisite of obtaining PSU’s explicit consent.

For PIIS / Confirmation of availability of funds requests, **Article 65**, is very clear in establishing that the Payer (PSU) gives explicit consent to the ASPSP for funds confirmation requests and that this explicit consent is given prior to first such request is received by the ASPSP.

And finally **Article 97 (5)** clarifies that AISPs and PISPs are allowed to rely on the security procedures put in place by ASPSPs. As a consequence, TPPs can rely on ASPSPs to verify and validate that the PSU is in fact who he/she is claiming to be.

AISPs and PISPs shall rely on the ASPSPs to carry out this “Security Check Service” or “Identity Service”. It thus becomes the fundamental starting point in this three-way relationship in the context of XS2A even though there is no three way contractual relationship and it is not legally required to be present.

THE PREDICAMENT FOR ASPSPs

It is clear that the ASPSPs are right in the middle of this “consent” topic. Therefore, ASPSPs must manage/maintain this aspect of XS2A carefully as a service to the PSU and not underestimate implications - both legally and technically.

If this means requesting and making use of additional payment and non-payment attributes (IP location, ISP, Device information...) then they must do so just as they would in their own online banking environments or via their own mobile banks apps.

Since in spirit, the PSU consent or authorization on the three PSD2 services (PIS, AIS and PIIS) seems intended for the ASPSP anyway, **TPPs are encouraged** to share this information on PSU consent that they are obligated by law to obtain from the PSU before delivery of their services, with ASPSPs.

ASPSPs for their part, when a previously supplied PSU consent is revoked via the ASPSP directly (relevant in case of recurring payment orders or AIS access) may also intimate the TPP in question of such a revocation, if the PSU desires such intimation.

These open practices on the part of both TPPs and ASPSPs will play a large part in en-masse adoption of XS2A services from PSUs, who ultimately have the power to make PSD2 a success!
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Simple Consent Model

PSU

I permit this TPP to access my accounts to do...(action)

CONSENT
CREDENTIALS

Activity to corresponding to the consent

TPP

Bank

NOTE

Note that either of these two consent approaches have different advantages and downsides for stakeholders but we consider them to be equally valid
PSU Consent Information should be transparent and shared
No disagreements on what access the PSU gave consent to
Enable efficient lifecycle management of digitally shared PSU consent

Shared Consent Model

PSU

I sign with my credentials this consent for TPP to access my accounts to do ...(action)

TPP

Bank

NOTE

Share Consent Model

I sign with my credentials this consent for TPP to access my accounts to do ...(action)

TPP

Consent Information
Signed & shared
The PSD2 regulation does not detail any requirements on exactly what must be shared by ASPSP when servicing an AIS request from an AISP. However, sharing the PSU consent information allows the industry to define standards that will allow a level of granularity that is practical.

**NOTE**

The PISP will provide the ASPSP with the basic payment data such as the debit account, amount and the beneficiary’s account numbers. This information describes precisely what the PSU’s consent is for.

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**Shared PIS Consent Model**

- **I sign this account info details with my credentials to confirm this TPP is permitted access to this data.**
- **Signed & shared PIS instruction**
  - Debit account | Beneficiary account | Beneficiary name
  - Amount | PISP ID | Time and date | Authentication code

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**Shared AIS Consent Model**

- **I sign these payment initiation details with my credentials to confirm this payment to be initiated.**
- **Signed & shared AIS instruction**
  - Access request
  - Bank | TPP

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**NOTE**

The PSD2 regulation does not detail any requirements on exactly what must be shared by ASPSP when servicing an AIS request from an AISP. However, sharing the PSU consent information allows the industry to define standards that will allow a level of granularity that is practical.
If the TPP-ASPSP XS2A interface allows for sharing consent information, this could be as simple as an industry accepted standardized Consent Reference or Consent ID or any other fit-for-purpose Consent Attribute, would result in the following advantages:

- Clarity and transparency for all three parties (PSU, TPP, ASPSP)
- Clear audit trail on who has requested what information and who authorised this request and when, who has acted based on this request and when, all linked to a industry standard PSU consent reference
- Efficient lifecycle management of the digitally obtained PSU consent

**Note:** It is acknowledged that for the sake of practical ease, the TPP may choose to take responsibility to communicate with the ASPSP by any accepted industry specified electronic means to enable this PIIS-CAF requests set-up at the ASPSP side on behalf of the PSU.
It is the opinion of CAPS Open Framework that the TPP – ASPSP interface should have flexibility to enable future development of a consent model that allows sharing of consent information between the PSU, the TPP and the ASPSP openly.

This could be obtained by enabling the following steps:

Exchange of basic information** of the PSU consent given to a third party access

Extending the information exchanged into a standardized and structured set of permissions and share this between all parties

Enable the use of the SCA process of the ASPSP to establish a strong evidence for the PSU consent and share this between all parties

Establish guidelines for the use of open standards to implement a shared consent model

** This information may include an industry accepted standard Consent Reference, Date of obtaining consent, Account Number, Type of XS2A service (AIS, One off payment, Recurring Payment, Confirmation of availability of funds)

Note: We believe it to be of key importance that the industry agree on the use of and standardize the format of such a “Consent Reference” or “Consent ID”

CONCLUDING NOTE

The creation and presentation of this opinion paper is a result of an open dialogue and active participation of the members of the CAPS Open Framework. We welcome your participation and contribution to this initiative.

For more information about CAPS and how to join us please visit our website:

https://www.caps-services.com