



Head Office

June 2018

Dear Customer

Subject: What you need to know about Payment Services Directive 2 (PSD2)

PSD2 is a new directive aiming to make all European payments faster and simpler for consumers. Its main objectives are to drive increased efficiency, competition and security in the payments market, while at the same time it encourages lower pricing in the payment transactions. The directive is applied across Europe and has recently been transposed into national law in Cyprus through “The Provision and Use of Payment Services and Access to Payment Systems Law of 2018” (referred as “the Law”).

At a glance the Law:

- Opens up the EU payment market to payment service companies (Third Party Providers), allowing them to access information on payment accounts.
- Establishes stringent requirements for the security of electronic payments and for the protection of consumer financial data.
- Enhances consumer rights in many areas, including the reduction of liability for unauthorised payments.
- Prohibits additional charges on payments with consumer credit or debit cards, both in stores and on the internet.

Third Party Providers (TPPs)

The Law introduces the so called TPPs and opens up the EU payments market for them (provided they have obtained the licence required by law) to provide certain types of payment-related services. In particular, you will be able to provide your consent to your Bank (both to Ancoria Bank and to other Banks with which you may hold accounts) to allow a TPP of your choice:

- To collect and consolidate information on all of your bank accounts, such as your transaction history and other related information, in order to enable you to have a global view of your financials, in a regulated, user-friendly and secure manner.
- To initiate online payments to beneficiaries such as merchants and others who you choose, directly from your bank account.

Please note that you will be able to withdraw your consent at any time.

We will contact you again with more information on how to provide and withdraw your consent when these services will be available (according to the Law, Banks should have these services ready by September 2019).



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You are in control of your data

Consenting to TPPs accessing your bank information is very secure as the Law puts you in strong control of your data, making online payments far more secured, fast and easy. Strict security requirements are imposed meaning that strong consumer authentication will become standard whenever a payment is initiated or an account is accessed when used for online platforms and services. Payments will need to be authorised by you using at least two of the following authentication factors:

- Knowledge (something only the user knows) – for example, a password.
- Possession (something only the user possesses) – for example, a card.
- Inherence (something only the user is) – for example, biometrics (i.e. palm veins characteristics).

Ancoria Bank already follows the requirements for strong customer authentication for the execution of payments.

Safe and transparent payments

Customer protection and safety in payments is improved. Among other benefits your liability for certain types of non-authorized payments (e.g. when your bank card is stolen) is reduced from €150 to €50. Transparency is also enhanced on pricing and billing.

Improved internal market and competition

The Law creates a better-integrated internal market across Europe for electronic payments. It is extended to cover transactions in and out of EU member states as long as either the sender or the recipient is based in an EU member state.

Update of Ancoria Bank General Terms and Conditions

We are ready to embrace the latest developments of PSD2 and establish an open banking mechanism where you are in full control of your bank account data.

Always in compliance with the legal framework, Ancoria Bank will fulfil the requirements of the Law and ensure that you will benefit from the changes introduced by taking greater confidence that your payments are being handled safely, efficiently and securely and that the charges being levied are clear, fair and transparent.

For the above purpose, among other tasks, Ancoria Bank is currently updating its General Terms and Conditions. The amended General Terms and Conditions, shall be communicated to you by email and/or hard copy as soon as they have been finalised and will also be available on our website www.ancoriabank.com and at our Banking Centres upon request.

For more information or clarifications, please contact us at 8000 0050 or +357 22849000 (Monday - Thursday, 08:15 - 17:00 and Friday, 08:15 - 14:00).