

# Guide on the payment account switching service (“Guide”)

## I. Purpose of the Guide. General considerations

The guide contains all the necessary information on the payment account switching service and on the steps to be followed by the private individual customer to transfer the payment account relations from one service provider to another service provider, on the territory of Romania.

Under Law 258/2017 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (“Law 258/2017), payment account switching or payment account switching service<sup>1</sup> is defined as transferring, upon a consumer’s request, from one payment service provider to another either the information about all or some standing orders for credit transfers, recurring direct debits and recurring incoming credit transfers executed on a payment account, or any positive payment account balance from one payment account to the other, or both, with or without closing the former payment account.

The specific services on the transfer of information related to payment account switching are free of charge. The cost incurred for the services related to payment operations (including transfer of the balance) and for the closing of the payment account results from the enforcement of contract terms, but these costs do not exceed the actual costs of the bank for the performance of such services.

The transferring payment service provider (“the old PSP”) is the payment service provider from which the information required to perform the switching is transferred.

The receiving payment service provider (“the new PSP”) is the payment service provider to which the information required to perform the switching is transferred.

## II. Workflows

As part of the payment account transfer from the previous payment account into the newly-opened payment account, the client has to manage two relations: the one with the new PSP and the one with the old PSP.

Please find below detailed information on the flow and on the steps.

### A. Opening a payment account with the new PSP

- Before opening the payment account, the customer shall make sure that the new PSP is apt to offer the desired products and services.
  - After opening the payment account, the new PSP will provide a document with the details of the opened account to the customer. The details of the newly-opened payment account shall be filled in the form “Authorization on payment account switching” (“Authorization”), based on which the transfer of the old payment account and of the related services will be achieved.
- The previous payment account may remain active or it may be closed (except for the cases when it cannot be closed, according to the below matters), depending on the option checked under Authorization.

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1 Payment accounts held in the same currency

## **B. Transfer of payment services from the previous payment account to the new payment account**

### ***The customer mandates the new PSP as mediator in his/her relation with the old PSP***

The customer authorizes the new PSP to cover all steps on his/her behalf, by filling in the Authorization with all the necessary information and by signing it, as well as by checking the boxes corresponding to the services he/she requires.

The customer fills in the details of the payment account he/she intends to transfer and the details of the newly-opened payment account in the authorization form and selects the date for the transfer. This date is the date on which the instructions within the customer's form are executed, and shall never occur less than 13 business days from receipt of the Authorization by the new PSP.

### ***Information on the services covered by the transfer***

The customer has the possibility to choose what services he/she intends to transfer, as follows:

- authorizes the new PSP to cancel the scheduled payment orders indicated in the Authorization;

**and/or**

- authorizes the new PSP to register into its own records and to execute the direct debit mandates indicated in Authorization, and the old PSP to no longer accept direct debit instructions related to the respective mandates;

**and/or**

- Authorizes the old PSP to refuse the recurring incoming transfers indicated by the customer (for instance: salary, rent, pension, social security benefits etc.)

Also, the possibility exists to select the transfer of the balance available in the payment account(s), which is (are) to be transferred from the old PSP to the new PSP and to authorize the old PSP to close the payment accounts subject to the transfer.

The customer shall fill in all the information needed to make the transfer in the authorization form.

- a. For Standing Orders - beneficiary's name, account/ IBAN code, bank's name, details on the payment
- b. For direct debit mandates - beneficiary's name, account/ IBAN code, bank's name, details on the payment
- c. For recurring incoming transfers - name of payer, account/payer's IBAN code

For points b. and c., the customer may choose that the notification to the beneficiaries/payers be made personally, or he/she may choose for the new PSP to achieve the notification of the beneficiaries/payers involved in the payment account switching process. If he/she chooses the submission of notifications by the new PSP, he/she shall ensure that he/she provided to the latter all the information needed concerning the beneficiaries'/payers' identification data, as requested in the Authorization.

The transfer of the payment account can be initiated after the accurate and complete fill-in of the Authorization and after its signature by the customer.

## ***Information on the stages of the transfer process***

### **Day A**

Represents the day on which the new PSP, where the payment account is to be transferred, receives the Authorization from the customer. The new PSP delivers to the customer a copy of the Authorization and the standard letters for the notification of third parties (the payers who make recurring payments into the customer's payment account; the beneficiaries in the case of payments by direct debit and/or standing orders), if the customer requested this option within the Authorization.

### **Day B = A + 2 business days**

The new PSP sends the Authorization to the old PSP.

### **Day C = B + 5 business days**

The old PSP sends the information requested in the Authorization regarding the services requested for transfer by the Customer.

### **Day D = C + 5 business days**

The new PSP informs the third parties (the payers who make recurring payments into the customer's payment account; the beneficiaries in the case of payments by direct debit and/or standing orders), if the customer selected this option within the Authorization.

### **Day E = F - 1 business day**

The old PSP cancels the direct debit and/or standing order services mentioned by the customer in the Authorization.

**Day F = at least Day A + 13 business days = Date for transfer execution**, filled in by the client in the Authorization:

- The new PSP sets up the direct debit and/or the standing order services mentioned in the Authorization;
- The old PSP makes sure that it no longer accepts future incoming transfers mentioned in the Authorization;
- The old PSP transfers the available balance from the payment account into the payment account from the new PSP;
- The old PSP closes the payment account.

## ***Important!***

The payment account subject to the transfer cannot be closed by the old PSP if the customer is in default concerning the respective payment account/ the payment account is used for other services contracted by the client, including payments by cheques, bills of exchange or promissory notes/the payment account is seized or rendered unavailable, under the legal provisions, to the purpose of fulfilling obligations assumed by the customer to the old bank/third parties. The old PSD will immediately inform the customer on the impossibility to close the account, in the above cases.

With the closing of the payment account, all contracts related to the payment products and services shall cease, including direct debit services, outstanding orders, electronic communication services of Internet Banking, Mobile Banking type, etc.

Under Law 258/2017, for the amicable settlement of any potential disputes, and without prejudice to the consumer's right to institute legal proceedings against the payment service providers who infringed upon the provisions of this law or upon their right to notify the National Consumer Protection Authority, consumers may also resort to extrajudicial mechanisms for lodging claims and requesting compensations for the consumers, under the provisions of Government Ordinance no. 38/2015 on the alternative settlement of disputes between consumers and traders and of Law no. 192/2006 on mediation and organization of the profession of mediator, including further