
STATUTORY INSTRUMENTS

2015 No. 2038

The Payment Accounts Regulations 2015

PART 4

Access to payment accounts

Framework contracts and termination

26.—(1) Subject to paragraphs (2) and (3), framework contracts for the provision of a payment account with basic features must comply with the requirements of the Payment Service Regulations.

(2) A designated credit institution may only close a payment account with basic features where at least one of the following conditions is met—

- (a) the consumer has knowingly used, or attempted to use, the payment account for illegal purposes;
- (b) there has been no transaction on the account for more than 24 consecutive months;
- (c) the consumer provided incorrect information when applying for the account, and had the correct information been provided, the application would have been refused;
- (d) the consumer is no longer legally resident in the [^{F1}United Kingdom];
- (e) the consumer has access to another payment account in the United Kingdom which—
 - (i) allows the consumer to make use of the services listed in regulation 19(1); and
 - (ii) was opened after the payment account with basic features;
- (f) the credit institution considers that the consumer's conduct in relation to the credit institution's staff amounts to the commission of an offence under—
 - (i) section 4, 4A or 5 of the Public Order Act 1986;
 - (ii) the Protection from Harassment Act 1997;
 - (iii) section 38 of the Criminal Justice and Licensing (Scotland) Act 2010 (threatening or abusive behaviour);
 - (iv) Article 9 of the Public Order (Northern Ireland) Order 1987 (use of words or behaviour or display of written material);
 - (v) the Protection from Harassment (Northern Ireland) Order 1997.

[^{F2}(g) the payment account is required to be closed in accordance with section 40G of the Immigration Act 2014.]

(3) Subject to paragraph (4), where a designated credit institution terminates a framework contract for a payment account with basic features on one or more of the grounds mentioned in paragraph (2) (b), (d) or (e), the designated credit institution must inform the consumer of the grounds and the justification for termination—

- (a) at least two months before the termination enters into force;
- (b) in writing; and

(c) free of charge.

(4) Paragraph (3) does not apply where disclosure to the customer of the grounds and justification for the termination would be unlawful.

(5) Any termination in accordance with paragraph (2)(c) or (f) is to have immediate effect.

(6) Where a designated credit institution terminates a framework contract in accordance with paragraph 2(a), (c) or (f), the credit institution must inform the consumer of the grounds and justification for termination without delay except where it would be unlawful to do so.

(7) Any notification given by the qualifying credit institution under paragraph (3) must advise the consumer of—

- (a) the procedure for submitting a complaint to it against the termination;
- (b) the consumer’s right to make a complaint to the Financial Ombudsman Service; and
- (c) the designated credit institution’s relevant contact details.

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| <p>F1 Words in reg. 26(2)(d) substituted (31.12.2020) by The Payment Accounts (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/661), regs. 1(3), 3(b) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)</p> <p>F2 Reg. 26(2)(g) inserted (30.10.2017) by The Immigration Act 2016 (Consequential Amendments) Regulations 2017 (S.I. 2017/931), regs. 1, 2(2)</p> |
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Changes to legislation:

There are currently no known outstanding effects for the The Payment Accounts Regulations 2015, Section 26.