STATUTORY INSTRUMENTS

2017 No. 752

The Payment Services Regulations 2017

PART 7

Rights and Obligations in Relation to the Provision of Payment Services

Liability

Non-execution or defective or late execution of payment transactions initiated by the payer

91.—(1) This regulation applies where a payment order is initiated directly by the payer.

(2) The payer's payment service provider is liable to the payer for the correct execution of the payment transaction unless it can prove to the payer and, where relevant, to the payee's payment service provider, that the payee's payment service provider received the amount of the payment transaction in accordance with regulation 86(1) to (3) (payment transactions to a payment account).

(3) Where the payer's payment service provider is liable under paragraph (2), it must without undue delay refund to the payer the amount of the non-executed or defective payment transaction and, where applicable, restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place.

(4) The credit value date for a credit under paragraph (3) must be no later than the date on which the amount was debited.

(5) If the payer's payment service provider proves that the payee's payment service provider received the amount of the payment transaction in accordance with regulation 86, the payee's payment service provider is liable to the payee for the correct execution of the payment transaction and must—

(a) immediately make available the amount of the payment transaction to the payee; and

(b) where applicable, credit the corresponding amount to the payee's payment account.

(6) The credit value date for a credit under paragraph (5)(b) must be no later than the date on which the amount would have been value dated if the transaction had been executed correctly.

(7) Where a payment transaction is executed late, the payee's payment service provider must, on receipt of a request from the payer's payment service provider on behalf of the payer, ensure that the credit value date for the payee's payment account is no later than the date the amount would have been value dated if the transaction had been executed correctly.

(8) Regardless of liability under this regulation, the payer's payment service provider must, on request by the payer, immediately and without charge—

(a) make efforts to trace any non-executed or defectively executed payment transaction; and

(b) notify the payer of the outcome.