

SCHEDULE 1

Regulation 2(1)

Payment Services

PART 1

Payment services

1. Subject to Part 2, the following, when carried out as a regular occupation or business activity, are payment services—

- (a) services enabling cash to be placed on a payment account and all of the operations required for operating a payment account;
- (b) services enabling cash withdrawals from a payment account and all of the operations required for operating a payment account;
- (c) the execution of payment transactions, including transfers of funds on a payment account with the user's payment service provider or with another payment service provider—
 - (i) execution of direct debits, including one-off direct debits;
 - (ii) execution of payment transactions through a payment card or a similar device;
 - (iii) execution of credit transfers, including standing orders;
- (d) the execution of payment transactions where the funds are covered by a credit line for a payment service user—
 - (i) execution of direct debits, including one-off direct debits;
 - (ii) execution of payment transactions through a payment card or a similar device;
 - (iii) execution of credit transfers, including standing orders;
- (e) issuing payment instruments or acquiring payment transactions;
- (f) money remittance;
- (g) payment initiation services;
- (h) account information services.

PART 2

Activities which do not constitute payment services

2. The following do not constitute payment services—
- (a) payment transactions executed wholly in cash and directly between the payer and the payee, without any intermediary intervention;
 - (b) payment transactions between the payer and the payee through a commercial agent authorised in an agreement to negotiate or conclude the sale or purchase of goods or services on behalf of either the payer or the payee but not both the payer and the payee;
 - (c) the professional physical transport of banknotes and coins, including their collection, processing and delivery;
 - (d) payment transactions consisting of non-professional cash collection and delivery as part of a not-for-profit or charitable activity;

Status: This is the original version (as it was originally made).

- (e) services where cash is provided by the payee to the payer as part of a payment transaction for the purchase of goods or services following an explicit request by the payer immediately before the execution of the payment transaction;
- (f) cash-to-cash currency exchange operations where the funds are not held on a payment account;
- (g) payment transactions based on any of the following documents drawn on the payment service provider with a view to placing funds at the disposal of the payee—
 - (i) paper cheques of any kind, including traveller’s cheques;
 - (ii) bankers’ drafts;
 - (iii) paper-based vouchers;
 - (iv) paper postal orders;
- (h) payment transactions carried out within a payment or securities settlement system between payment service providers and settlement agents, central counterparties, clearing houses, central banks or other participants in the system;
- (i) payment transactions related to securities asset servicing, including dividends, income or other distributions, or redemption or sale, carried out by persons referred to in sub-paragraph (h) or by investment firms, credit institutions, collective investment undertakings or asset management companies providing investment services or by any other entities allowed to have the custody of financial instruments;
- (j) services provided by technical service providers, which support the provision of payment services, without the provider entering at any time into possession of the funds to be transferred, excluding payment initiation services or account information services but including—
 - (i) the processing and storage of data;
 - (ii) trust and privacy protection services;
 - (iii) data and entity authentication;
 - (iv) information technology;
 - (v) communication network provision; and
 - (vi) the provision and maintenance of terminals and devices used for payment services;
- (k) services based on specific payment instruments that can be used only in a limited way and meet one of the following conditions—
 - (i) allow the holder to acquire goods or services only in the issuer’s premises;
 - (ii) are issued by a professional issuer and allow the holder to acquire goods or services only within a limited network of service providers which have direct commercial agreements with the issuer;
 - (iii) may be used only to acquire a very limited range of goods or services; or
 - (iv) are valid only in a single EEA State, are provided at the request of an undertaking or a public sector entity, and are regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers which have a commercial agreement with the issuer.
- (l) payment transactions resulting from services provided by a provider of electronic communications networks or services, including transactions between persons other than that provider and a subscriber, where those services are provided in addition to electronic communications services for a subscriber to the network or service, and where the additional service is—

- (i) for purchase of digital content and voice-based services, regardless of the device used for the purchase or consumption of the digital content, and charged to the related bill; or
- (ii) performed from or via an electronic device and charged to the related bill for the purchase of tickets or for donations to organisations which are registered or recognised as charities by public authorities, whether in the United Kingdom or elsewhere,

provided that the value of any single payment transaction does not exceed £40, and the cumulative value of payment transactions for an individual subscriber in a month does not exceed £240;

- (m) payment transactions carried out between payment service providers, or their agents or branches, for their own account;
- (n) payment transactions and related services between a parent undertaking and its subsidiary or between subsidiaries of the same parent undertaking, without any intermediary intervention by a payment service provider other than an undertaking belonging to the same group;
- (o) cash withdrawal services provided through automatic teller machines, where the provider—
 - (i) is acting on behalf of one or more card issuers;
 - (ii) is not party to the framework contract with the customer withdrawing money from a payment account; and
 - (iii) does not conduct any other payment service.