

Authorised push payment (APP) scams

Information on consumer communications for payment service providers (PSPs)



Purpose of this document

The purpose of this document is to facilitate compliance with **PSR's Specific Direction 20 (SD20, July 2024)**, which gives effect to our policy statements.¹

It is primarily² aimed at relevant PSPs under SD20 (that is all directed PSPs which are capable of being sending PSPs) who are considering how to communicate with customers (both current and future) about their rights under the APP scams reimbursement requirement, recognising that PSPs will wish to have the flexibility to communicate with their customers in ways which reflect their particular business approach.

This document follows discussions with stakeholders as part of our implementation work and does not preclude any additional communications PSPs may wish to provide their customers in relation to SD20. PSPs should also have regard to FCA Consumer Duty requirements and any other relevant regulatory obligations.

Intended outcomes



Consumers should be aware that they can be reimbursed by their PSP for APP scams, and should receive consistent and clear messaging about the scope of protections



Consumers should understand what to expect if they fall victim to an APP scam and make a claim for reimbursement



Consumers should be aware of the steps they can take to protect themselves from APP scams, and how their PSP can support them

¹ [Click here](#) to visit our APP scams publications page.

² Note that the Bank of England has published the CHAPS reimbursement rules and the PSR has published [Specific Direction 21](#) which give effect to the CHAPS APP Scams reimbursement requirement.

Scope of this document

Under section 5 of SD20, PSPs which are capable of being sending PSPs (directed PSPs) must inform their customers about:

- ▶ **their rights under the reimbursement requirement and reimbursement rules**
- ▶ **any changes that will be made to their contractual terms and conditions (by 9 April 2025 at the latest).**

Existing customers must be notified of their rights by 7 October 2024 and from 7 October 2024 arrangements must be in place to inform any new customers of their rights, at the latest by the time those new customers are serviced. Customers must be informed in the same manner in which the PSP would notify their customers of other changes to the way in which they provide their services.

In the following sections we provide suggestions of the type of information directed PSPs may consider providing in relation to the reimbursement requirement and rules. This document is not intended to be compulsory. It contains suggestions and directed PSPs are free to communicate with their customers in whichever way they consider would be best. However, compliance with SD20 is a legal requirement and it is the responsibility of each directed PSP to satisfy itself that it is compliant. We may consider in future providing formal guidance, if appropriate.

We have set out suggested content under three categories which would support consumers in understanding how the reimbursement requirements will apply to any claim:

- ▶ **the scope of the policy**
- ▶ **the exclusions (circumstances in which the reimbursement policy would not apply)**
- ▶ **what consumers can expect when making a claim.**

We have also provided suggestions for other helpful information PSPs may consider providing to their customers.



Scope of the policy

Understanding what is within scope will help consumers to understand whether they may have an eligible claim. Examples of useful information are:

- ▶ **The eligibility criteria:** which consumers and payments are eligible for reimbursement. The reimbursement requirement applies to individuals, microenterprises and charities, where an APP scam payment is made using Faster Payments in the UK and sent to a relevant account in the UK (as defined in SD20, relevant account means an account that is provided to a service user, is held in the UK and can send or receive payments using the Faster Payments Scheme).
- ▶ **The time limits:** the requirement applies only to payments made on or after 7 October 2024. A consumer must have raised their claim within 13 months of the final payment made to a fraudster as part of the same scam.
- ▶ **Optional excess:** the PSR has given PSPs the option to levy an excess of a maximum of £100.
- ▶ **Maximum claim limit:** the maximum claim limit applicable to an APP scam claim (£85,000).
- ▶ **How the rules apply to vulnerable consumers:** where the consumer is vulnerable, and the vulnerability has a material impact on their ability to protect themselves from the scam, the consumer standard of caution and the excess do not apply. Assessment of vulnerability will also consider the financial impact of levying an excess on consumers with low financial resilience, and exempt consumers from the excess where its application will lead to financial stress.
- ▶ **Exclusions:** all other cases in which the reimbursement requirement does not apply. See 'Exclusions' below.

Every claim will be assessed on a case-by-case basis: considering the evidence presented by the customer, and any information available from the receiving PSP, or where relevant a third party such as the police.



Exclusions to the reimbursement requirement

Consumers understanding where an exclusion may apply can support understanding of when they may be reimbursed.

Including:

- ▶ First party fraud
- ▶ Gross negligence
- ▶ Time exclusions (e.g., claims made before 7 October 2024 and APP claims submitted more than 13 months after the final payment to the fraudster)
- ▶ International payments
- ▶ Payments which take place across other payment systems
- ▶ Scam payments made using cheques and cash
- ▶ Payments made to an account the consumer controls, or payments that are not authorised by the consumer ('unauthorised payments')
- ▶ Civil disputes
- ▶ Where payments are sent or received by credit unions, municipal banks and national savings banks
- ▶ PSPs should make clear if they do not provide the same reimbursement coverage for on-us payments.



What consumers can expect

- ▶ Telling consumers what is expected of them under the **consumer standard of caution** when they make payments supports consumers' understanding of risk and what will be expected in making a claim, including:
 - to have regard to any interventions given by their PSP or competent national authority
 - to promptly report the scam to their PSP upon learning or suspecting of falling victim to a scam
 - to comply with appropriate information requests from their PSP to support the assessment of the claim
 - to report to the police or allow their PSP to do so on their behalf, if required.
- ▶ Understanding **how to raise a claim under the new rules**. This includes for example the process to follow when making a claim (best practice and PSP experience of practicable and easy ways to engage will support this), the timeframe for any expected response, and whether any further action or information may be required.
- ▶ Informing customers that they can use the **existing complaint process** where they are dissatisfied with the outcome of the claim, including escalating to the Financial Ombudsman Service (FOS).

Other helpful information to consider providing, including prevention and police reporting



Advice to customers on how PSPs will handle their claim, and how they will engage with them during the assessment process. Sending PSPs may share relevant information with the receiving PSP, potentially including personal information about the consumer such as name and account information.



Advice to customers on how to protect themselves from APP scams and demonstrate the steps PSPs are taking to protect them and prevent fraud.



Customers are expected pay regard to interventions and to report to the police under the consumer standard of caution. Even where firms do not intend to rely upon the reporting requirement set out in the consumer standard of caution, firms could encourage victims to comply with this requirement. In some cases, vulnerable victims may particularly benefit from support provided by the police.



Information about the PSP's APP scams approach and pointing customers to organisations that support victims of APP fraud.



If relevant, PSPs may also want to reference the APP scams performance data publication.

