



Charity number SC004401

Dear Purchase and Corporate Card User

This communication is to bring to your attention some information relating to recent updates when using a Credit and Debit card as a result of the EU Payment Service Directive that came into force in the UK on 14th March 2022

Payment Services Directive II (PSD2) is European Union directive that also applies to the UK that sets new requirements for securing online payments. Under the Directive, additional authentication is required, and banks should decline transactions that do not meet the Strong Customer Authentication (SCA) criteria. Suppliers wishing to provide card payment services must comply with the Directive on all payments within or out of the EU/UK.

The directive has implemented the need for Strong Customer Authentication (SCA), that requires existing payment institutions and e-money institutions to be re-authorised or re-registered.

The SCA process may be familiar to you personally where you are asked to validate your payment transaction when making an online payment via an authentication code via a text or email message, or by biometric verification. The same will apply when using your Purchase or Corporate Card.

Suppliers that you may source goods and services from across the UK and EU are required to have set up their card payment services in line with this directive to support what is known as 3D Secure (Version2) technology, which provides extra security surrounding a card payment journey. If a supplier has not set their systems to comply with the new directive there is a risk that a card payment you try to make could be declined. The reason for this is the card-issuing Bank will know when SCA cannot be validated, and they will then determine if the transaction should be declined – this is the card-issuing Bank prerogative and out-with the University control. This process will not necessarily happen every time a payment is attempted, however, the checks will increase over time.

There have been instances where Purchasing Cardholder payments have been declined, however, their own personal cards have been accepted. Again, this is a decision of the card-issuers Bank to determine if a payment request is declined or not.

Please see attached FAQs and if required contact the Procurement Card administrator if you need further information Marylise.Tate@glasgow.ac.uk.

Jo Gallagher
Head of Procurement

FAQs

What is meant by SCA regulation?

Strong Customer Authentication (SCA) is a new European regulatory requirement to reduce fraud and make online and contactless offline payments more secure.

What is Payment Service Directive 2?

PSD2 is a European regulation for electronic payment services. It seeks to make payments more secure in Europe, boost innovation and help banking services adapt to new technologies. PSD2 is evidence of the increasing importance Application Program Interfaces (APIs) are acquiring in different financial sectors.

Which payments will SCA apply to?

All electronic payments, whether face to face or remote, will require Strong Customer Authentication.

What does SCA require?

SCA requires authentication to use at least two of the following three elements. Something the customer knows (e.g. password or PIN), something the customer has (e.g. phone) or something the customer is (e.g. fingerprint or face recognition). This is similar to the University's multi-factor authentication where our systems ask you to approve your log-in via the Authenticator App.

Who does the Payment Services Directive apply to?

The Directive applies to payment services in the European Union and the United Kingdom. The Directive focuses on electronic payments, which are more cost-efficient than cash and which also stimulate consumption and economic growth.

What happens when my card is not accepted for payment?

- You can ask the Supplier if they are SCA and PSD2 compliant and if not ask them to re-authorise and register this with their bank.
- Use another Supplier who is SCA and PSD2 compliant.
- You can ask another Purchasing Card holder to make the payment on their card which may go through.
- Make the payment via a PO and Invoice.
- Where this is a corporate card payment you could make the payment on your card and reclaim through the University expenses policy.