

## PRESS RELEASE

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### **SMART2 issues recommendation note with best practices to support PSPs in detecting and combatting fraud**

The SCT Inst Migration Action Round Table (SMART2) has published a recommendation note with best practices to support payment service providers (PSPs) in detecting and combatting fraud. The note was put together and endorsed by 15 account-servicing payment service providers (AS-PSPs) from 11 communities operating across SEPA. Next to helping improve measures at PSP level geared at detecting and combatting fraud, the objective of the note is to support the development and use of uniform practices at a pan-European level.

While the recommendations can be applied to other payment instruments as well, they are considered as being particularly relevant for SEPA Instant Credit Transfers because of the accelerated processing they require and the speedy cash-out they support.

The note encompasses recommendations for three different areas, namely

- practices to be implemented at AS-PSP-internal level,
- practices that require collective action at inter-PSP level and/or at infrastructure level for a positive impact,
- measures that require actions at public authority or law enforcement level.

Best practice recommendations at the level of PSPs include enhancing customer behaviour profiling by conduction frontend profiling of customer usage patterns and centralising fraud alert handling and customer interaction in dedicated 24/7 specialised teams. In terms of collective measures or solutions to be taken forward, it is suggested to develop a pan-European fraud scoring approach that allows the payer's PSP to provide a fraud score for outgoing payments to the payee's PSP; such solutions are currently being introduced or piloted at national level in different communities. It is further suggested to create a pan-European database of IBANs and related account holder names against which PSPs could run check as part of the payment initiation process.

“The quality of fraud prevention and detection across Europe would enormously benefit from a number of collective pan-European measures in particular,” said Serge Wagener, Board Member of the Euro Banking Association and Chairman of the SCT Inst Migration Action Round Table.

“One of the purposes of our best-practice note is therefore to encourage all parties involved to engage in a dialogue on how to put in place viable and fully automated pan-European solutions in the inter-PSP space to help prevent and detect fraud and scam. At the same time, and most importantly, the recommended measures should contribute to making the usage of any payment product as safe and convenient for the end-customer as possible”, added Mr Wagener.

*The SMART2 recommendation note on “Best practices to support PSPs in detecting/combating fraud and scam” is available for download [here](#).*

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# SMART2

SCT Inst Migration Action Round Table

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## About the SCT Inst Migration Action Round Table (SMART2)

The SCT Inst Migration Action Round Table (SMART2) is an infrastructure-agnostic forum for account-servicing PSPs geared at bringing clarification to instant payment migration-related issues and to work towards defining industry best practices and publishing common positions based on a consensus among the participants, where needed.

The forum is logistically supported by the Euro Banking Association and provides a facility for consultations on issues of operational nature that need to be collectively addressed during the ramp-up period of instant payments.

More information about SMART2 can be found at <https://www.abe-eba.eu/market-practices-regulatory-guidance/sct-inst-migration-round-table-smart2/>.

## About the Euro Banking Association (EBA)

The Euro Banking Association (EBA) is a practitioners' body for banks and other service providers supporting a pan-European vision for payments.

The mission of the EBA is to foster dialogue and experience exchange amongst payments industry practitioners towards a pan-European vision for payments. We pursue our mission through involving member organisations and relevant stakeholders in thought leadership on innovation, helping our members to understand and implement regulation and by supporting the development of market practices.

The EBA has more than 160 members from the European Union and across the world.

For additional information about the Euro Banking Association, please visit [www.abe-eba.eu](http://www.abe-eba.eu) or follow us on [www.linkedin.com/company/euro-banking-association](http://www.linkedin.com/company/euro-banking-association) or [www.twitter.com/EBA\\_Association](http://www.twitter.com/EBA_Association).