

Background information: the request to pay process

In November 2020, the European payments industry is launching a SEPA Request to Pay (SRTP) scheme. The aim of this pan-European scheme is to improve the end-to-end payment experience for businesses, consumers and anyone else making and receiving payments. It is expected that request to pay services based on this scheme will be introduced for many different payment contexts by banks and other providers in the near future.

A request to pay means that a payer and a payee electronically exchange structured data through a request for payment, before they exchange the money. Request to pay improves the standard payment process by adding a message exchange, which takes place before the actual payment and includes:

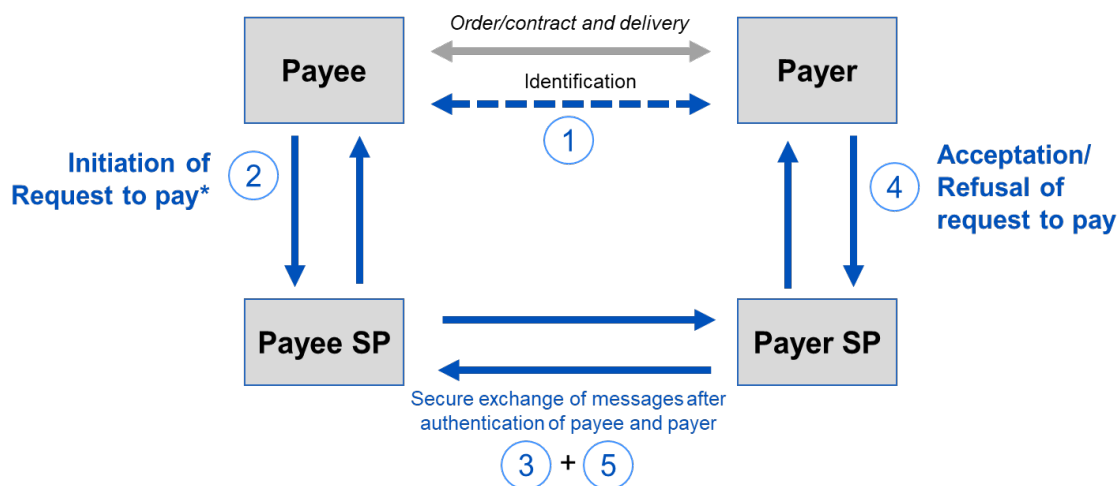
1. A request to the payer for a payment
2. The acceptance (or refusal) of this request by the payer

Thanks to the information delivered as part of this request to pay exchange, the payer can identify the payee and the payee can easily identify and reconcile the subsequent payment.

Request to pay is not a payment means or a payment instrument, nor an invoice, but a way to request a payment initiation. Neither the underlying business transaction nor the payment that should follow the request to pay exchange are part of the request to pay process. It is important to note that the approval of a request to pay by the payer does not constitute any form of guarantee regarding the payment, which is a separate process.

In the standard four-corner model that the SEPA Request to Pay Scheme by the European Payments Council describes, the detailed steps of the request to pay are as follows:

- Based on the payer's identifier and information on the payer's request to pay service provider received from the payer (1), the request to pay is initiated by the payee (2).
- The request to pay reaches the payer via the payee's and the payer's request to pay service providers (3)¹, which each authenticate their respective customer.
- The payer approves or refuses the request to pay presented to him by his service provider with all the relevant data on the payee and for the subsequent payment (4).
- This approval/refusal is sent back to the payee via the two service providers (5). In case of an approval, it is followed by a payment.



¹ While the four-corner model is the standard model, the scheme can also be applied to other models. These could include a direct exchange of the request to pay between the payee and the payer. There could also be additional service providers involved in different roles (e.g. REQUEST TO PAY service providers and payment service providers).

Request to pay can be applied to virtually any payment scenario, from real-time and all-parties-present scenarios to scenarios where the parties are in different places and may act at different points in time. In detail, request to pay supports use cases featuring any of the below combinations:

- Accept now: the request to pay must be accepted immediately, at the presentation time.
- Accept later: the request to pay can be accepted at a later time than the presentation time.
- Pay now: the request to pay must be paid by the payer immediately, at the acceptance time.
- Pay later: the payment is initiated at a later time than the acceptance time.