



REVISION OF PSD II

Enable easy EV charging!

In light of the the Commission's proposal on the revision of PSD II, ChargeUp Europe recommends to:

- ⚡ Exempt EV charging sessions from the SCA requirement, aligning it with payments for public parking & public transport.
- ⚡ Ensure coherence between payment requirement in AFIR and the revised PSD.
- ⚡ Expand the definition of payment services according to Annex 1 of PSD II, to include the new forms of payments that have become widely available across the EU in the last years.

Introduction

ChargeUp Europe welcomes the Commission's proposal for the revision of the Payment Services Directive II (PSD II). In light of the rapid development and growth of industries, such as e-mobility and electric vehicle (EV) charging, the revision should recognize the different payment transaction amounts for certain services and to take into account the new technologies and payment services that have become widely available in recent years, and allow to expand the payment options

available to consumers. Given the legislative developments in the past years, and in particular the agreement of the Alternative Fuels Infrastructure Regulation (AFIR), the revision of PSD II should take this into account and be coherent in that regard.

1. Treatment of payments for EV charging sessions

Regardless of whether an EV is being charged at a public normal power stations ($\leq 22\text{kW}$) or high-power

charging stations (>22kW), typically the fee consists of a low amount. A typical payment transaction at a normal power charging station for a 'full charge' (charging the battery up to 80 %) will cost approx. €10- €15 (8kWh X 5h X 0,3€/kWh) per charging transaction, on average. This could be supplemented by a few euros for a parking fee (charging time) in some cases where this is applicable. The amount for an average charging session at a high power charger is within €28-€35 (40-50kWh X 0,7€/kWh).

Given the setting in which public EV charging typically happens (on a street, or in a public parking garage - i.e. most often in non-staffed locations), and the low amounts to be paid for the EV charging sessions, it meets the same criteria as parking and public transport in terms of payment services requirements. As both of these categories have been exempted from the 'strong customer authentication' (SCA) in the PSD II, EV charging sessions should receive the same treatment and therefore be exempted in the PSD III.

2. Ensuring coherence for payment requirements between AFIR and revised PSD

While there is clear similarity between EV charging, parking and public transport, given agreed art. 5(2) AFIR, combined with the requirements of PSD II, this could lead to additional requirements at the member state level, such as installation of PIN-pads (and in some cases printers and

receipts) alongside car readers in order to enable SCA of payments. Such obligations would have a major negative impact on the industry, affecting the cost and speed of rollout of infrastructure, making existing recently installed infrastructure obsolete, going against the EU's transport decarbonization and circular economy policy objectives. Imposing these requirements would also create further market entry barriers, as deploying a normal power charging station can be up to 50% more expensive than deploying one without,¹ which would in turn disrupt the competition in this cutting-edge market which works every day to bring the most consumer-friendly solutions and experiences to the market.

Requiring to equip an EV charging station with a PIN-pad terminal will also cause much longer certification times due to the increased complexity in the assessment procedure. In addition, higher maintenance costs are incurred over the lifetime of the charger as the PIN-pad is part of the certified charging point. Lastly, having PIN-pads on the charging stations, makes them more susceptible to petty crime, which could lead to disruption in service to the customers, as well as makes it a target for data safety, as the PIN-pads store certain data which could be hacked.

3. Consumers have adopted a variety of payment methods in the recent years

It must be noted that in today's market

card payments do not depend on card terminals and PIN-pads any longer. New payment and SCA technologies are rapidly adopted by consumers: The spread of smartphones with wallets, where Strong Customer Authentication (SCA) is implemented via biometrics such as fingerprint/ Face-ID or similar, has become widely-used among consumers of all ages, level of education, social or economic status.^{2,3,4} Along with QR codes (which direct to an operator's payment environment), particularly for normal power charging stations which are small and lack the space for a card reader, web-based payments have become increasingly popular.⁵ Currently, more than 472 million people have a subscription to a mobile service – that is 86 percent of Europe's population, and smartphones are widely used to carry out and authenticate EV charging payments without the use of a card reader or PIN-pad.

With this in mind, the PSD III should expand the definition of payment services according to Annex I of PSD II, to include new forms of payments that are widely available.

In the EV charging industry, this element has been integrated through the industry roaming agreements. Our industry is committed to the data protection of our customers and supports the same level of protection across all types of charging (normal or fast). Apart from a possible

exemption, we recommend implementing SCA in a cost efficient way. **PSD II provides a broad definition of payment services in its Annex 1 that could reflect technological trends, with the possibility to link this to AFIR. This would lead to an alignment of two essential and overlapping pieces of EU legislation** and would avoid the PIN-pad requirement, allowing for SCA via smartphones. We believe that both options would ultimately benefit the consumer, by making payments convenient, safe, and accessible. In parallel, it would enable the accelerated roll-out of EV infrastructure as resources can be dedicated to creating more charging locations instead of retrofitting well-functioning hardware.

1. Survey of ChargeUp Europe membership
2. ChargeUp Europe reply to the public consultation
3. IDEMIA, Consumers throughout the world embrace biometric payment cards. <<https://www.idemia.com/infographic/consumers-throughout-world-embrace-biometric-payment-cards>>. Accessed on 11 July 2023.
4. Juniper Research, BIOMETRICALLY AUTHENTICATED REMOTE MOBILE PAYMENTS TO REACH \$1.2 TRILLION GLOBALLY BY 2027. <<https://www.juniperresearch.com/press/press-releases/biometrically-authenticated-remote-mobile-payments>>. 30 May 2022.
5. Survey of ChargeUp Europe membership