Specifications to enable consumer selection of preferred payment instrument

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1 Executive summary

Following a decision taken in November 2019, the ECB's Euro Retail Payments Board (ERPB) created in March 2020 a working group (WG) tasked with the development of a framework for interoperability for instant payments (IPs) at the Point-of-Interaction (POI). This scope is derived from the recommendations made in the report of a first ERPB working group on IPs at POIs that analysed in 2019 the barriers to pan-European reach and usability of the SCT Inst scheme.

The present ERPB WG considered that in addition to their own members reflecting the ERPB composition, stakeholders representing card payments eco-systems should also participate in the elaboration of the response to the fourth part of the mandate [1] concerning the consumer selection of preferred payment. Therefore, they decided to set-up a Joint Task Force (JTF) composed of members of both the ERPB WG and the European Cards Stakeholders Group (ECSG). This decision was also motivated by the willingness of the ECSG to participate in such work as the topic covered was also identified in the ECSG 2019 report to the ERPB in November 2019.

The JTF first detailed a set of *Principles* that should frame further developments on the choice of payment instrument. These principles indicate that: i) a merchant shall display the payment instruments they accept – with possibility to preselect their preference - and the consumer has several options to interact with the merchant presentation; ii) the consumer will be in full control of the payment solution at all times, where technically feasible; and iii) the consumer's selected payment solution should not be overruled by any other parties from the payment chain.

To ensure that these principles can be applicable to as many as possible solutions, a number of use-cases were identified. From this analysis, there resulted that three elements can be combined to consider a complete payment experience: the device (card, mobile device) and the interface through which it is used (EMV contact, NFC contactless, QR-codes, etc.), the payment instrument (card, SCT Inst) and the brand. There could be many permutations of real elements from these categories and the consumer could choose them in various sequences.

The JTF, on the basis of the above-mentioned principles and the detail of use-cases, has drawn a number of conclusions. In the light of the mandate [1], the JTF / ERPB WG considers these conclusions as a *framework* for the development of more detailed business and technical specifications. The JTF / ERPB WG is of the opinion that developing such specifications would require

more effort and resources and it might be possible that multiple, interoperable specifications that fit into this *framework*, are developed by market participants. The JTF / ERPB WG further recommends that a follow-up work based on these conclusions be undertaken by an appropriate multi-stakeholder group representing market participants involved in card payments and in SCT Inst payments.

2 Document information

2.1 Structure of the document

This document is organised as follows:

- The "*Background* section" (section 3) recalls the origin of the request that this document responds to, including the reference to the relevant part of the mandate of the ERPB Working Group of Instant Payment at POI.
- The section "*Principles for consumer selection of payment instrument* " (section 4) is the outcome of a preliminary work, initiated by the ERPB WG and finalised by the Joint Task Force. These principles were adopted by the Joint Task Force as a basis for the specifications.
- The section "Examples of use-cases" (section 5) includes a set of examples illustrating use-cases whereby the Principles set out in the section 4 are applicable to elaborate recommendations
- The section "*Conclusions*" (section 6) covers the set of conclusions that resulted from the analysis of the use-cases and the principles introduced in the section 4.

2.2 References

N°	Title	Issued by
[1]	ERPB Inst@POI 01-20: Mandate of the ERPB WG on a framework for instant payments at the POI	ERPB
[2]	EPC004-16 2019 Version 1.1: SEPA Instant Credit Transfer – Scheme Rulebook	EPC
[3]	EPC269-19v1.0: Mobile Initiated SEPA (Instant) Credit Transfer Interoperability Guidance (MSCT IG)	EPC
[4]	PSD2: Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market	EC

[5]	IFR: Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions	EC
[6]	SEPA Regulation: Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro	EC
[7]	ERPB Inst@POI 028-19: Final report of the ERPB Working Group on Instant Payments at POI (November 2019)	ERPB
[8]	ECSG110-19: ECSG Annual Stock Taking Exercise 2019	ECSG
[9]	EPC096-20: Technical Interoperability for MSCTs based on payer-presented data	EPC
[10]	EPC312-19: Technical interoperability of MSCTs based on payee-presented data	EPC
[11]	ERPB/2019/018: Statement following the twelfth meeting of the Euro Retail Payments Board held on 25 November 2019	ERPB

Table 1: References

2.3 Definitions

The table below includes definitions from regulatory texts (PSD2 [4] and IFR [5]) that are relevant for the scope of this document. In addition, the JTF considered that some definitions should be extended or updated to allow the inclusion of other payment instruments than those based on card schemes. These extended definitions are expected to be reused in the supporting documentation for further initiatives derived from the work of the ERPB Working Group on Instant Payment at POI. Furthermore, some new terms are introduced, such as "Payment solution", that were considered relevant for this document.

Term	Definition
Existing definitions	
Payment instrument	1. A personalised device(s) and/or set of procedures agreed between the payment service user and the payment service provider and used in order to initiate a payment order (PSD2 and IFR); 2. Cards, credit transfers, direct debits and e-money are non-cash payment instruments with which end users of payment systems transfer funds between accounts at banks or other financial institutions (ECB). In the scope of this document the covered payment instruments are Card and SCT Inst.
Card-based payment instrument (IFR)	Any payment instrument, including a card, mobile phone, computer or any other technological device containing the appropriate payment application which enables the payer to initiate a card-based payment transaction which is not a credit transfer or a direct debit as defined by Article 2 of Regulation (EU) No 260/2012 (SEPA regulation - [6]).
Payment brand (PSD2)	Any material or digital name, term, sign, symbol or combination of them, capable of denoting under which payment card scheme card-based payment transactions are carried out.
Card-based payment transaction (IFR)	A service based on a payment card scheme's infrastructure and business rules to make a payment transaction by means of any card, telecommunication, digital or IT device or software if this results in a debit or a credit card transaction.
Payment card (IFR)	A category of payment instrument that enables the payer to initiate a debit or credit card transaction.

Co-badging (PSD2 and IFR)	The inclusion of two or more payment brands or payment applications of the same payment brand on the same payment instrument.
Co-branding (IFR)	The inclusion of at least one payment brand and at least one non-payment brand on the same card-based payment instrument.
Instant Payment (MSCT Interoperability Guidance [3])	Electronic retail payment solutions available 24/7/365 and resulting in the immediate or close-to-immediate interbank clearing of the transaction and crediting of the payee's account with confirmation to the payer (within seconds of payment initiation). This is irrespective of the underlying payment instrument used (credit transfer, direct debit or payment card) and of the underlying clearing and settlement arrangements that make this possible.
SEPA Instant Credit Transfer - SCT Inst (MSCT Interoperability Guidance)	The payment instrument governed by the rules of the SEPA Instant Credit Transfer Scheme for making instant credit transfer payments in euro throughout the SEPA from bank accounts to other bank accounts ([2]).
Updated definitions	
Payment brand	Any material or digital name, term, sign, symbol, or combination of them, capable of denoting under which rules transactions are carried out This definition is an extension of the PSD2 definition for the purpose of this document and related further initiatives.
Co-branding	The inclusion of at least one payment brand (updated definition) and at least one non-payment brand on the same payment instrument. This definition is an extension of the IFR definition for the purpose of this document and related further initiatives.

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New definitions	
Card transactions based on card schemes	Synonym for "Card-based payment transaction" for the purpose of this document.
Interface	Also known as acceptance technology in card-related terminology: technology that can be used for exchanging identification and transaction-related information between the merchant and consumer at physical POI. Examples: EMV contact, contactless (NFC, QR-code, …).
Payment device	A physical device including all hardware and software components that allow the use of one or multiple payment instruments of one or multiple payment brands. Examples: card, mobile device.
Form factor (of a payment instrument)	Synonym for payment device (new definition).
Carrier (of a payment instrument)	Synonym for payment device (new definition).
Payment solution	A combination of a payment instrument, a payment brand and optionally a payment device. A payment solution can be used through multiple interfaces (e.g. card with EMV contact, NFC, QR-code, a mobile device with NFC, QR-code). A provider may bundle multiple payment solutions within a single product (e.g. a mobile payment application).

Table 2: Terminology

2.4 Abbreviations

Abbreviation	Term
BLE	Bluetooth Low Energy
EC	European Commission

ECB	European Central Bank
ECSG	European Cards Stakeholder Group
EMV	EMV® Integrated Circuit Card Specifications for Payment Systems
EPC	European Payments Council
ERPB	Euro Retail Payments Board
IFR	Interchange Fee Regulation
JTF	Joint Task Force
MSCT	Mobile Initiated (Instant) SCT
MSG MSCT	Multi-Stakeholder Group for Mobile Initiated (Instant) SCT
NFC	Near-Field Communication
POI	Point Of Interaction
PSD2	2nd Payment Services Directive
QR-code	Quick Response-code
SCT	SEPA Credit Transfer
SCT Inst	SEPA Instant Credit Transfer
SEPA	Single Euro Payments Area
WG	Working Group

Table 3: Abbreviations

3 Background

The ERPB Working Group on Instant Payment at Points of Interaction (IPs at POI) was set up in February 2019 by the ERPB based on a mandate addressing the barriers to pan-European reach and usability of the SCT Inst scheme, and possible recommendations to overcome such barriers. The report delivered in November 2019 ([7]) has identified – among other barriers - the lack of interconnectivity between existing IP at POI solutions including proximity technology conflicts at the POI. The report recommended to analyse this barrier from both a technical and security perspective, but also taking into account that multiple payment instruments may be available on consumer devices and at the POI (SCT Inst, cards, etc.). The WG took note in their report that the ECSG also identified this barrier in a report ([8]) covering the coexistence of card and non-card based payments. The ECSG report further stated that the ECSG is open to further collaborate with appropriate bodies on these aspects.

In February 2020 a new working group (WG) was established by the ERPB to deliver an interoperability framework for instant payments at the POI ([1]). In relation with the above mentioned recommendation to analyse the barrier related to possible conflicts at POIs, the mandate of the new WG indicates that the principles in scope for an interoperability framework should cover the development of appropriate specifications to enable consumer selection of preferred payment instrument to conduct a transaction at the POI.

Taking into account the ECSG proposal for collaboration, the ERPB WG decided to create a Joint Task Force with the ECSG. The WG further requested this Joint Task Force to deliver a separate document that, along with their main report, will be presented to the ERPB in November 2020.

4 Principles for consumer selection of payment instrument

As prerequisites for elaborating recommendations, along with a taxonomy of use-cases, the following principles have been identified. These principles apply for all eligible payment solutions, this means, any payment instrument and any brand with any consumer device, without discrimination:

1. The merchant shall display the range of available payment instruments (SCT Inst, Card, etc.) and brands they accept and either:

   a. Present all available payment solutions, in a clear and non-discriminatory manner. Before the initiation of the payment at the POI, the consumer may then either:

      i. Use the default payment solution they have previously set;

      ii. Change their default payment solution to another payment instrument and/or brand. The consumer shall not be prevented of changing their default payment solution at any time;

      iii. Select a payment solution from the merchant's list of available payment solutions if a default payment solution is not defined in the consumer device.

   b. Present their preferred payment instrument(s) and payment brand(s) in priority order to the consumer possibly together with the consumer benefits, without preventing the consumer from overriding the priority selection mechanism in a convenient manner. Before the initiation of the payment at the POI, the consumer may then either:

      i. Agree / select the merchant's preferred payment solution;

      ii. Override the merchant's preferred payment solution by selecting another payment instrument (SCT Inst, Card, etc.) and/or brand offered by the merchant.

2. The consumer will be in full control of the payment instrument and brand selection (payment solution) at all times, where technically feasible. The technical feasibility should be related to the technical limitations of the consumer device, the POI or the communication technology between the consumer device and the POI.

3. The consumer's selected payment solution at the POI should not be overruled by any other parties involved in the technical service, clearing and settlement payment chain.

5 Examples of use-cases

5.1 Criteria for use-case selection

An exhaustive analysis would require the identification of all combinations of payment instruments, brands and other criteria to find generic patterns where the above-mentioned principles should be applied. Such criteria could be:

- payment instrument

- brand

- device/form-factor/carrier

- interface/acceptance technology

- consumer-merchant data exchange (consumer presented – e.g. the consumer presents a QR-code encapsulating information for its own identification, or merchant presented – e.g. the merchant presents a QR-code embedding transaction related information).

- Consumer payment account

- Consumer preferences (applicable on non-card payment devices): the consumer can define a preferred payment solution for proximity and remote payments)

- merchant preferences: at physical (payment terminal) or virtual POIs (payment webpage), the merchant may propose a brand and/or payment instrument to be used by default

- technical limitations of the consumer device, merchant POI, and interfaces

- proximity or remote transactions (physical or virtual POI)

- attended or unattended proximity transactions

As the real-life cases imply a sequence of choices made by the consumer but influenced by other factors and limitations, it is important to also consider the order of these choices. A full taxonomy of use-cases on the basis of all criteria and on the order of choices could lead to such a complexity in which the relevance of the most practical scenario may be lost. Therefore, the following three criteria and some real applications ("values" of these criteria) were considered:

- **Payment instrument**: Card or SCT Inst. "Card", as a payment instrument is meant here as an instrument based on a card scheme rules, that can be executed via a physical card (an EMV "plastic card") or another device emulating a card (e.g. a mobile device on which a payment app based on tokenisation of card data is installed and used). It is important to note that the

distinction between the two retained payment instruments is made from the consumer perspective. Therefore, as one of the agreed principles of payment instrument selection is that the consumer and the merchant should be at any moment in full control of the payment instrument the analysis has considered only the solutions where the payment instrument can be clearly identified throughout a transaction.

- **Payment brand**: any brand implementing one or more payment instruments can be relevant for the analysis. Non-payment brands, although they can be present along with payment brands on the same payment instrument as defined in the regulations as "co-branding", are not relevant for the current analysis.

- **Device and interface**. Two criteria are combined to facilitate the analysis. The first is the consumer device or in other terms the "form factor" or "carrier" of a payment instrument, and the second is the interface for exchanging data between the consumer device and the merchant device. The relevant devices are for the purpose of this analysis the card (plastic card equipped with an EMV chip) and mobile devices (mainly smartphones but can also be tablets, wearables, etc.). Relevant interfaces can be divided into interfaces with contact (via EMV technology) and without contact (manly NFC contactless, QR-codes, BLE, etc). To this criterion, if it is applied for *mobile device and QR-code*, a sub-criteria has been considered: the type of **consumer-merchant data exchange** (merchant or consumer presented).

Consequently, the number of choices that the consumer can make is also limited to three, or two in the case of remote transactions where the interface is not relevant. The sequence of choices will be limited to better reflect the real-life use cases.

5.2 List of use-cases

The order of consumer decisions can be different, but in any situation the selection results in a payment solution.

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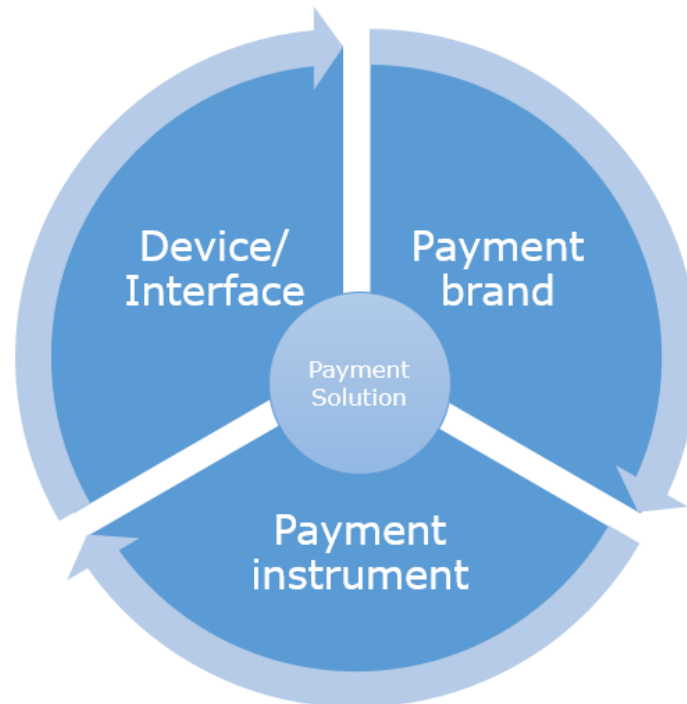
The table below sets out a list of the most relevant use cases distinguished by the consumer decision points.

The third column indicates the order of consumer decisions. It must be noted that many permutations of the real choices from the three elements (device and interface, Payment instrument and payment brand) can be possible at any stage of the selection. For simplification purposes, only the first category (grouping use-cases P1 to P10) includes a number of combinations, but lots of other combinations are possible.

Use case	Decisions	Order of consumer decisions (1. First decision -> 2. Second decision -> 3. Third decision)
P1	**Plastic card via EMV contact** interface, **card-based scheme** and a Card scheme preferred brand	1. Device and interface* 2. Payment instrument 3. Payment brand
P2	**Plastic card via EMV contact** interface, **SCT Inst** and a SCT Inst preferred brand	
P3	**Plastic card via NFC contactless, card-based scheme** and a Card brand	

P4	**Plastic card via NFC contactless**, **SCT Inst** and a SCT Inst brand	
P5	**Mobile device via NFC** contactless**, card-based scheme** and a Card brand	
P6	**Mobile device via NFC** contactless**, SCT Inst** and a SCT Inst brand	
P7	**Mobile device via QR-code (consumer presented), card-based scheme** and a Card brand	
P8	**Mobile device via QR-code (consumer presented), SCT Inst** and a SCT Inst brand	
P9	**Mobile device via QR-code (merchant presented), card-based scheme** and a Card brand	
P10	**Mobile device via QR-code (merchant presented), SCT Inst** and a SCT Inst brand	
P11	**Card brand, plastic card via EMV contact** (or NFC) and a **card-based scheme**	1. Payment brand 2. Device and interface* 3. Payment instrument
P12	**SCT Inst Brand, mobile device via NFC** (or QR-code) and **SCT Inst**	
P13	**Card-based scheme**, a **Card brand** using a **plastic card** via EMV contact or NFC	1. Payment instrument 2. Payment brand 3. Device and interface*
P14	**SCT Inst,** a **SCT Inst brand** using a **mobile device** via QR-code or NFC	
P15	**SCT Inst,** using **a mobile device** via QR-code or NFC and an SCT Inst brand	1. Payment instrument 2. Device and interface* 3. Payment brand

Table 4: Use cases of Payment instrument selection

* and type of data exchange if mobile device and QR-code

5.3 Details and analysis of use-cases

This section provides details on some of the above-listed use-cases and focuses on the elements that are important for facilitating the consumer choice according to principles presented in the section 4.

- *Use cases P1 to P4*

User story: The consumer first decides to insert a plastic card in the chip reader or to tap the card against the NFC reader of the merchant payment terminal, and the terminal displays a selection between Card and SCT Inst payment instruments. This invites the consumer to make their second decision. Depending on the selected payment instrument, and if the consumer card includes multiple brands, and all or some of these brands are also supported by the merchant, the consumer is invited to select one of these brands. This is the consumer third decision.

Findings:

- It is important that the consumer is really able to make their 2nd and the 3rd decisions if there are no technical limitations by the card or the terminal. This means that the distinction between card-based schemes and SCT Inst are clearly presented by the terminal.
- Therefore, SCT Inst needs a new form of visible recognition, a **"recognition label"**, regardless of the payment brands implementing it. This label could take the form of a visual logo and/or textual indication such as "SCT Inst inside" or "Powered by SCT Inst", always associated and presented with the brand.
- if for technical reasons, NFC is not available for SCT Inst, the terminal may propose only Card-schemes based payment instruments and inform the consumer to use the EMV contact reader for SCT Inst

- *Use cases P5 and P6*

User story: The consumer first decides to use their mobile device via the NFC interface of the merchant payment terminal. The choice between Card and SCT Inst payment instruments is presented on the consumer device. This invites the consumer to make their second decision. Depending on the selected payment instrument, and if the selected payment instrument includes multiple brands, and all or some of these brands are also supported by the merchant, the consumer is invited to select one of these brands. This is the consumer third decision.

Findings:

- It is possible that a payment mobile application on the consumer device presents several *payment solutions* that combine a payment instrument and a brand. For example, in the same mobile application, card data are stored from a card-based brand along with the required components for initiating an SCT Inst from that mobile device (a MSCT payment solution). Thus, a single consumer action to click on a visual representation of a brand, also includes a selection of the payment instrument.

- Nevertheless, as the consumer needs to be informed about what payment instrument is used at any time of the payment-related steps, the SCT Inst **recognition label** should be presented along with the SCT Inst brands.

- The consumer may have defined a preferred mobile payment application among several that could be installed on their mobile device, and within a mobile payment application, they may define a preferred payment instrument (SCT Inst or card-based). Moreover, in more complex configurations if several brands are configured for the same payment instrument, one of them could be set up as preferred brand.

- During the communication between the merchant terminal and the mobile device, a match should be applied between payment instruments and brands supported by the merchant and those supported by the consumer preferred application. This match should result in offering the customer all valid combinations.

- These combinations should be selected by the mobile application, and in function of the consumer preferences, a predefined sequence may be triggered, but the preferences or choices should not be overridden by the merchant terminal.

- *Use cases P7 and P8*

User story: The consumer first decides to use their mobile device via the QR-code interface in consumer-presented mode. This requires that a QR-code is displayed on the consumer device and read by a merchant controlled QR-code reader. The QR-code encapsulates the consumer identity and optionally the payment solution preferred by the consumer. The merchant device matches the information on these preferences with the payment instruments and the brands the merchant supports and initiates the payment accordingly. More details about the principles for the development of a standardised, consumer-presented QR-code for SCT Inst can be found in [9].

Findings:

- The consumer may have defined a preferred mobile payment application among several that could be installed on their mobile device, and within a mobile payment application, they may define a preferred payment instrument (SCT Inst or card-based). Moreover, in more complex configurations if several brands are configured for the same payment instrument, one of them could be set up as preferred brand.

- During the communication between the merchant terminal and the mobile device, a match should be applied between the payment instruments and brands supported by the merchant and those supported by the consumer preferred application. This match should result in proposing the customer all valid combinations.

- These combinations should be selected by the mobile application, and in function of the consumer preferences, a predefined sequence may be triggered, but the preferences or choices should not be overridden by the merchant terminal.

- *Use cases P9 and P10*

User story: The user experience is similar with the one in the use-cases P5 and P6, with the difference of the interface, which is merchant-presented QR-code. However, a single QR-code standard that includes information for both card-scheme based payment and SCT Inst, does not exist currently, so that to keep the consumer able to chose between the two payment instruments (second decision), a dialog might be necessary between the salesperson and consumer prior to presenting the corresponding QR-code on the terminal.

The same findings as for the use-cases P5 and P6 are valid for the use-cases P9 and P10, even so considering the mentioned limitation of the merchant presented QR-code.

- *Use cases P11 and P12*

User story: These use-cases are examples of another sequence of consumer choices. It is likely that a consumer first makes the choice of a favourite brand and as a second step they chose a device and interface (mobile device or plastic card), and eventually a payment instrument. For example, a preferred brand may propose to consumers multiple payment instruments in a brand-owned mobile application. Also, the consumer can have a dialog with the salesperson to express their wishes to

pay with their preferred brand X (that may support both Card and SCT Inst payment instruments). As a second step consumer uses their mobile device via NFC or QR-code interface or their card with EMV contact or NFC. At the third step, the selection between a card-based instrument and SCT Inst is made.

Findings:

- Even though the selection of the payment instrument is the last step of the sequence, the consumer still needs to have full capacity to choose. Therefore, except technical limitations or limited support of the merchant for one or multiple payment instruments, no obstacles should occur against the choice of the consumer. Also no merchant-preferred payment instrument should be proposed without possibility to override it by the consumer.

- *Use cases P13 and P14*

User story: An alternative sequence of consumer choices is when the consumer first makes the choice of a payment instrument and then a brand as a second step. A device and interface (mobile device or plastic card via QR-code/NFC or EMV contact), is chosen at the last step. For example, a consumer has decided to pay from their bank account by SCT Inst. Then they select a brand that supports this payment instrument on the mobile device which is used for reading a merchant-presented QR-code. Or the consumer prefers to pay with a card-based instrument (e.g. a credit card scheme) but still using a mobile device via the NFC interface.

Findings

- By choosing between SCT Inst or card-based payment instrument at the first step, it seems no barrier exists for the consumer. However, the subsequent steps should not prevent the consumer to make use of their first choice and for any technical limitations the consumer should be well-informed as of the start of the sequence.
- It is necessary that SCT Inst payment instrument is well identified by an SCT **"recognition label"**, common to all brands that may be chosen at the second step.

- *Use case P15*

User story: Still starting with the payment instrument (example with SCT Inst), this last use case illustrates the possibility for choosing the device and interface at the second step. The brand is chosen at the last step.

Findings

- The same comments apply to this use case and the need for a recognition label is also important in order to allow the consumer a full knowledge that the payment is done by SCT Inst, regardless of the brand.

6 Conclusions

On the basis of the principles set out in the section 4, the following key conclusions are provided by the JTF / ERPB WG, that are considered as a framework for the development of more detailed business and technical requirements, that should cover for the use-cases described in the previous section.

Identifier	Short description	Arguments
C1	Provide clear and consistent definitions	In addition to the definitions included in the Regulations, some new terms should also be defined, and others need to be updated. We recommend that these new or updated definitions should be adopted by all relevant stakeholders across the documentation supporting their initiatives. This would help for achieving a common understanding in the context of multi-stakeholder and pan-European levels. It is important that a number of common definitions is established as new documentation may be developed around the selection of payment instruments by the consumer, and more generally, around the availability of multi-payment instrument POI and applications on consumer devices. Any other deliverable covering for example functional or technical specifications, security specifications or assessments, and interoperability specifications, must refer to a common set of foundational terms preventing divergent interpretations. While developing such documentation, if new concepts are discovered or terms used in other domains need to be referenced, the common set should also be enhanced.
C2	Develop an SCT Inst "recognition label"	SCT Inst, as a new payment instrument, needs a form of visible identification that in a simple and common way allows consumers

	and SCT Inst business rules	across SEPA to recognise this type of account-based, instant SEPA Credit Transfer payment instrument, specified by the SCT Inst scheme. [1] It is acknowledged that the ERPB identified the EPC Multi-Stakeholder Group on Mobile Initiated SCT and SCT Inst (MSCT MSG) to whom the recommendation to develop such a recognition label is addressed. Furthermore, the ERPB recommended that the ERPB WG on Instant Payment @POI develops a dedicated interoperability framework with common rules and procedures. (Annex 1 Recommendation A of the ERPB Statement - [11]).
C3	Follow the principles for consumer selection of payment solution	Developing detailed specifications for payment solutions for merchant POI and customer devices requires to follow the principles set out in the Section 4 of this document. These specifications would then allow for implementing solutions that will comply with consumer and merchant preferences, and technical constraints. Thus, one of the barriers to pan-European reach and usability of the SCT Inst scheme will be overcome in a manner that prevents conflicts with other payment instruments at the POI. Therefore, detailed specifications for payment solutions should cover: • How the POI should display the accepted preferred payment instruments and how the consumer options to interact with the POI should be made possible, including initial choice, changing their option, overriding merchant preferences, etc. • The mechanisms enabling the consumer to be in full control of the payment solution;

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[1] Other instant payment schemes in SEPA may use similar recognition label, but the scope of this group is limited to SCT Inst.

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		• The protection of the consumer against changes of their chosen payment solution by any other parties involved in the payment chain
C4	Payer-Payee interaction must allow for consumer choice of a payment solution	Throughout the analysis, it has been observed that even though the final result is a payment transaction, the consumer has to choose between three components of a payment solution: device and interface, payment brand, and payment instrument. At any time of the transaction, the consumer should be able to well distinguish these three choices, and to have the full knowledge of what can be chosen and of the limitations that can impact their choices.

Table 5: List of key conclusions

As a follow up work on the topic of consumer selection of preferred payment instrument, the JTF / ERPB WG makes the following recommendation:

Addressee	Rationale	Recommendation	Deadline
Group with multi-stakeholder participation consisting of market participants in card and SCT Inst payments	Need to ensure that the consumer's choice of a given payment instrument to conduct a payment transaction at the POI is respected	Develop standards, business and technical requirements as appropriate, leading to interoperable specifications that ensure consumer selection of preferred payment instrument (card payment or SCT Inst) to conduct a payment transaction at the POI (physical or virtual POI) based on the deliverable ERPB Inst@POI 45-20v1.1	November 2021

Table 6: Recommendation

Internal use   **24 / 25**

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7 Annex - JTF composition

Name	Surname	Nominating Institution
Co-Chairs		
Dag-Inge	Flatraaker	EPC (ERPB WG)
Jeremy	Massey	CircleK (ECSG)
ERPB WG members		
Jean	Allix	BEUC
Robert	Renskers	ESBG
Barbara	Sacchi	EBF (UniCredit)
Philipp	Stahel	EPC (UBS)
Ralf	Ohlhausen	ETPPA
David	Ballaschk	NCB - Germany
Pascal *alternate:* Alexandre	Spittler Leclerc	EuroCommerce (Ikea) EuroCommerce (Carrefour)
Michel	Van Mello	EuroCommerce (Colruyt)
ECSG members		
Victor	Escudero	RedSys
Guido	Hogen	SPA
Gert	Huizinga	EPC (ING)
Jean Philippe	Joliveau	SIA
Esteban	Martin	Mastercard
Dolores	Mimran	Frenchsys
Harris	Monteiro Da Silva	EPC (Crédit Agricole)
Axel	Schaefer	EuroCommerce (Ikea)
William	Vanobberghen	Cartes Bancaires
Secretriat		
Valentin	Vlad	EPC

Table 7: JTF composition