



Electronic Money Association

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APP Scams

Payment Systems Regulator
12 Endeavour Square
London
E20 1JN

8 August 2024

Dear Sir/Madam

Re: EMA Response to [PSR CP24-10 Consultation on the Guidance for Distinguishing Between APP Scams and Civil Disputes](#).

The EMA is the EU trade body representing electronic money issuers and alternative payment service providers. Our members include leading payments and e-commerce businesses worldwide, providing online payments, card-based products, electronic vouchers, and mobile payment instruments. Most members operate in the UK and the EU, as well as globally. A list of current EMA members is provided at the end of this document.

We would be grateful for your consideration of our comments and proposals.

Yours sincerely,

A handwritten signature in black ink that reads 'Thaer Sabri'. The signature is written in a cursive style and is underlined with a long horizontal line that extends to the right.

Dr Thaer Sabri
Chief Executive Officer
Electronic Money Association

We welcome this guidance from the PSR on this issue. We share the PSR's concern that invalid APP Scam Claims are likely to pose a significant challenge for PSPs. One PSP participating in the CRM Scheme, the forerunner to the APP Scam Reimbursement, reported that 35% of the Reimbursement Contribution Claims they received as a Receiving PSP were buyer/seller or other type of civil dispute. If this occurrence is replicated post-7 October, there will be a significant additional burden on the operations teams dealing with APP Scam claims.

While we welcome this guidance, it does not address the problem outlined above. In cases where an invalid claim is identified by the Receiving PSP, significant resources will already have been expended by both Sending and Receiving PSPs. Currently, there is no deterrence measure in place to discourage consumers from making false claims. Consideration should be given to introduce such a measure in order to reduce the volume of invalid claims.

Consumers knowingly making a false APP Scam claim are committing an offence under Section 2 of the Fraud Act 2006, known as 'Fraud by false representation'. A person commits this offence if they (1) dishonestly make a false representation; and (2) intends, by making that representation to either (i) make a gain for themselves or another, or (ii) cause loss to another or expose another to a risk of loss [section 2(1); Fraud Act 2006]. A customer claiming to be the victim of a scam when they are merely involved in a buyer/seller dispute could be making a false representation and thus committing the offence described above. As such, police prosecution of offenders would serve as a deterrent to others. We would welcome the PSR enlisting the cooperation of the City of London Police Force to pursue offenders.

Alternatively, the PSR should consider allowing for a False Claim Fee that a Receiving PSP might levy against a Sending PSP to recover the cost of processing a false claim, which the Sending PSP may then pass on to the offending consumer.

Members of the EMA as of July 2024

Airbnb Inc

Airwallex (UK) Limited

Amazon

Ambr

American Express

ArcaPay UAB

Banked

Bitstamp

BlaBla Connect UK Ltd

Blackhawk Network EMEA Limited

Boku Inc

Booking Holdings Financial Services International Limited

BVNK

CashFlows

Circle

Coinbase

Contis

Crypto.com

Currenxie Technologies Limited

Decta Limited

eBay Sarl

ECOMMPAY Limited

Em@ney Plc

emerchantpay Group Ltd

EPG Financial Services Limited

eToro Money

Etsy Ireland UC

Euronet Worldwide Inc

Facebook Payments International Ltd

Financial House Limited

First Rate Exchange Services

Flywire

Gemini

Globepay Limited

GoCardless Ltd

Google Payment Ltd

IDT Financial Services Limited

iFAST Global Bank Limited

Imagor SA

Ixaris Systems Ltd

J. P. Morgan Mobility Payments Solutions S. A.

Lightspark Group, Inc.

Modulr Finance B.V.

MONAVATE

MONETLEY LTD

Moneyhub Financial Technology Ltd

Moorwand Ltd

MuchBetter

myPOS Payments Ltd

Navro Group Limited

Nuvei Financial Services Ltd

OFX

OKG Payment Services Ltd

OKTO

One Money Mail Ltd

OpenPayd

Own.Solutions

Papaya Global Ltd.

Park Card Services Limited

Payhawk Financial Services Limited

Paymentsense Limited

Paynt

Payoneer Europe Limited

PayPal

Paysafe Group

Paysend EU DAC

PayU

Plaid

Pleo Financial Services A/S

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Push Labs Limited

Remitly

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Ripple

Securiclick Limited

Segpay

Soldo Financial Services Ireland DAC

Square

Stripe

SumUp Limited

Syspay Ltd

TransactPay

TransferGo Ltd

TransferMate Global Payments

TrueLayer Limited

Uber BV

VallettaPay

Vitesse PSP Ltd

Viva Payments SA

Weavr Limited

WEX Europe UK Limited

Wise

WorldFirst

Worldpay