

Authorised Push Payment (APP) Fraud Update

We previously wrote to you concerning the Authorised Push Payment (“APP”) reimbursement policy and its commencement date on 7 October 2024. This is regulated by the Payment Systems Regulator (“PSR”), who is the UK regulator of payment systems which operate within the UK, including Banks, Building Societies and Payment Service Providers (“PSPs”).

There have been minimal changes as to how we already handle fraud claims but we just want to make sure our clients and cardholders are up to speed with the new regulatory changes related to the APP claims, so here’s what you need to know.

What is an Automated Push Payment (APP) Scam

It's a type of scam where fraudsters trick you into sending money directly to them, often through online banking or mobile apps. Typically, this person is not who you think they are, or the payment is for a different reason than what’s expected.

What’s changing?

- **How we manage refunds on successful claims**

If a claim is successful, cardholders should expect their money back within 5 business days from the date of when the claim was made. In some cases, this can take up to 35 business days as we may need to gather additional information.

- **A new claims limit**

There has been a maximum reimbursement limit of £85,000 set by the PSR per claim. PFSL can reimburse above that limit should the recovery of funds has been successful.

Anyone who suffers a loss exceeding £85,000 can still raise their case with us and if the cardholder remains unsatisfied, the claimant can take the case to the Financial Ombudsman Service. The Ombudsman is independent and looks at each case on its own individual merits.

- **A £100 excess may apply**

Any claims following a scam may be subject to a £100 excess. For example, if a claim is made for £1,000 the cardholder will receive £900 reimbursement in the event of a successful claim. If a claim is made for less than £100 the cardholder will not be reimbursed at all. Vulnerable customers are excluded from the £100 excess rule.

For more information on these changes, please visit

<https://prepaidfinancialservices.com/appfraud>

Are there any exclusions to these rules?

These new rules apply to Faster Payments system (the system used for mobile and online banking), third party payments and CHAPS only and **DO NOT** apply to the following:

- International payments;
- Payments which take place across other payment systems;
- Payments made to an account the consumer controls, or payments that are not authorised by the consumer ('unauthorised payments');
- Civil disputes.

Reasons we may not reimburse claims

If the cardholder has not exercised a standard of caution:

- Followed any warnings given by PFSL, such as an alert that the payment being made could be a scam,
- Acted upon any instructions from the police,
- Reported the scam promptly, and no more than 13 months after the last scam payment was made.

We may ask cardholders for additional information about the claim in order to assess and investigate it. Cardholders need to make sure that responses to these requests are made by the deadline provided. Once a claim is made, PFSL may ask you to report the details of the fraud to the police or competent national authorities. Cardholders should do this so the police can carry out their own investigation and take any necessary action.

Each reimbursement claim made by a cardholder will be assessed on its individual merits to ascertain whether the cardholder is eligible for reimbursement or has acted with gross negligence in not meeting the consumer standard of care.

What to do if you think you've been scammed

- Contact PFSL immediately: Report the fraudulent transaction as soon as possible - please report it to PFSL by email to pfslappfraudclaims@emlpayments.com.
- Please keep all the evidence you can that relates to your scam claim. We assess every claim on a case-by-case basis and will look at all the evidence we're sent by you, any other PSPs or a third party, such as, police or competent national authorities.
- Report the scam to Action Fraud: Consider reporting it to Action Fraud - This is the UK's national fraud and cybercrime reporting centre- [Action Fraud](#).
<https://www.actionfraud.police.uk/>

Remember: PFSL will never ask you to transfer money to another account. If you're unsure about a request, hang up, delete the email, or ignore the text, and contact the PFSL Fraud team immediately. If you think you have been the victim of APP fraud or would like to report anything suspicious, please contact the PFSL Fraud Team via email: pfslappfraudclaims@emlpayments.com