NICE Actimize

PSR Shift of Liability:
What You Need to Know

The U.K. Payment Systems Regulator (PSR) provided reimbursement requirements and changes in liability that have worldwide impact on financial institutions (FIs) and Payment Service Providers (PSPs) operating in the U.K.

As of 7 October 2024, sending and receiving PSPs will share the cost of reimbursement to victims 50-50. And there are also new protections for consumers who may be more vulnerable to scams.

5 Key Takeaways

1. **Receiving institutions including PSPs must split APP fraud reimbursement 50-50, with few exceptions**
2. **Reimbursement requirement for Authorised Push Payment (APP) is applicable to both Faster Payments and CHAPS payments**
3. **Time to reimburse is 5 business days, with provision under the PSR's 'stop the clock' rules to extend to up to 35 business days**
4. **Maximum level of mandatory reimbursement is £85,000 per claim**
5. **Sending PSPs can deny claims for reimbursement in certain cases, and optionally apply a claim excess**

Implementing new controls now can mitigate risk. Protect customers from fraudsters who seek to circumvent an FI's internal controls by using money mules to transfer money between accounts and execute APP frauds.

4 steps to mitigate APP fraud:

- Identify Early
- Mitigate Exposures
- Resolve Investigations
- Adhere to Regulations

For a deeper look into PSR requirements, download the eBook.

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