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IBAN discrimination

the Dutch approach

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Dealing with IBAN discrimination in NL

- In NL the combat against IBAN discrimination was reinforced in 2020 with the IBAN discrimination sanction regime in Dutch national law “[Besluit uitvoering EU-verordeningen financiële markten](#)”
- De Nederlandsche Bank (DNB) is the Dutch NCA for combatting IBAN-discrimination
- Consumers and businesses can report their complaints on IBAN discrimination to the “[Meldpunt IBAN-discriminatie](#)”, reachable via a [web form](#) at DNB’s website
- DNB's website also offers [information and Q&A's](#) on IBAN discrimination
- IBAN-discrimination is discussed within the Dutch National Forum on the Payment System (NFPS) – in Dutch: “Maatschappelijk Overleg Betalingsverkeer”, chaired by DNB



Extent of IBAN discrimination in NL

- Basis for determining the extent of IBAN discrimination in NL are the numbers of complaints reported to the “[Meldpunt IBAN-discriminatie](#)” at DNB’s website
- In 2023, DNB received 177 complaints about possible IBAN discrimination (in 2022: 159 and in 2021: 115):
 - *Appr. 30% of them involve “real” IBAN discrimination*
- The number of complaints processed by DNB is reported in the annual report of the NFPS
 - *The NFPS’s year report is sent to the Dutch Minister of Finance who subsequently sends it to the Dutch national parliament*
- Received complaints cover small and large (such as telcos, energy providers, banks, insurers) companies, as well as central government bodies, municipalities and semi-public institutions
- IBAN discrimination does not appear a massive problem in NL as the number of complaints is relatively (very) low as compared to the number of direct debit and credit transfers (incl. iDEAL) which was in 2023 more than 6 billion

Reasons for IBAN discrimination in NL

- Organisations (and their customer services) are not always familiar with the SEPA Regulation and not always aware that a direct debit or credit transfer must be accepted for all IBANs issued in EU/EEA Member States
- Organisations are not always aware that Dutch people may also have “foreign” (non-NL) IBANs
- Some organisations still not accept non-NL IBANs on their web forms or in their apps; for example, due a prefilled (and fixed) prefix “NL” . Sometimes these organisations state it is technically difficult for them to accept all IBANs due to limitations in their IT systems
- Some organisations refuse to accept non-NL IBANs because they fear costly and time-consuming redress procedures in case of non-payment (such as when the payer revokes an SDD)
- Although iDEAL itself does not fall under the SEPA regulation, it can create an obstacle for accepting non-NL IBANs issued by (foreign) banks and payment institutions that are not issuing scheme members of iDEAL. DNB expects those companies to offer alternative online (non-iDEAL) payment methods to their (potential) clients. NB: iDEAL is used for more than 70% of all online purchases made by the Dutch

Process of dealing with complaints

- DNB examines whether each complaint falls under the prohibition of IBAN discrimination under Art. 9 of the SEPA Regulation. If so, the non-compliant organisation ...
 - ... receives a letter by DNB asking to investigate alleged IBAN discrimination,
 - ... is granted for 1 month to comply with Art. 9 of the SEPA Regulation and
 - ... cooperates and takes adequate measures to solve IBAN discrimination
 - *It may happen that additional measures are needed. Then DNB discusses with the organisation on, inter alia, a possible short-term solution and that a structural one is implemented in the longer term. This process can take up to 2 or 3 months*
 - If the organisation still not has taken adequate measures, DNB imposes a penalty payment or fine. The non-compliant organisation is given a final warning and a maximum of 6 weeks to adequately remedy complaints about IBAN discrimination before a sanction process is initiated

Effectiveness

- Until now, in NL all complaints about “real” IBAN discrimination have been resolved timely
- Organisations do resolve the reported complaints about IBAN discrimination after DNB has contacted them
 - *The mere mention of the fact that DNB can enforce the SEPA Regulation often already leads to organisations taking adequate measures*
- Until now, it happened only once that DNB imposed an intention of an order under penalty payment. This however led to a sufficient solution and thus the burden under penalty payment was withdrawn

As IBAN discrimination does not seem to be very big in NL and the “real” complaints are solved in a timely fashion, we consider the measures taken in NL are proportional and (sufficiently) effective

Thanks for your attention

If you would like to have more information on the subject of this presentation,
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