

Dear Customer,

This notice is about recent regulatory changes to innovate and improve security and protection in how we provide payment services to our Customers.

What is PSD2 ⁽¹⁾

PSD2 is a directive from the European Union which aims to facilitate and improve innovation in payment services and security in payment systems, in addition to enhancing Customer protection.

In Portugal, this directive was transposed into national law via Decree-Law 91/2018 of 12 November.

How does the transposed PSD2 directive change Customer 's relationship with Bankinter?

More secure payments made via homebanking and mobile devices:

PSD2 sets out additional security requirements. As of 14 September 2019, online access to current accounts and payments initiated via homebanking and mobile banking will be subject to an enhanced authentication mechanism.

Customer authentication will be enhanced with two of the following three factors:

- something that only the User/Customer knows, such as a password or a PIN code;
- something that only the User/Customer has, such as an SMS code sent via mobile phone;
- a characteristic the User/Customer has, such as a biometric feature.

Payment authorisation:

Once sent, a payment order cannot be cancelled or altered.

Access to current account balances and activity

A Customer (eg, an individual or a company) may give access to their payment account information to third-party service providers (TTP) who are duly authorised by national regulators.

Payment initiation

It establishes the conditions for a third-party provider (TTP) to access information on available funds and initiate a payment. Payment that must always be authorised by the Customer.

(1) Payment Services Directive 2

The ECB's objectives with PSD2

Advancement of the single payment market across the European Union - a single interface that would aggregate account information/payment initiation for various accounts that may be set up in several countries.

Neutrality in business and technology models - payment methods are business model or technology-agnostic. In other words, e-Commerce is no longer limited to card payments, which may be replaced by transfers initiated by merchants; or cash withdrawals do not have to take place physically at an ATM, but rather virtually via instant transfers, etc.

Enhanced security - mandatory strong Customer authentication (SCA), which requires a second authentication factor to guarantee a high level of security.

More competition - new market players (TTP) regulated by the central banks of each Member State.

Innovation - new market players, FinTech's with a great potential for technological innovation.

Benefits to consumers (companies and individuals)

Increased security in electronic payments (online):

By using Customer authentication methods that meet EU standards, along with responsible measures taken by banks when payment orders that fail to satisfy authentication methods are sent.

Better protection of Customers and merchants against payment-related incidents:

By having all entities certified, third-party payment service providers granted access to account information will be regulated by the central bank of each country.

Payment methods that meet the needs of merchants and consumers.

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If you decide to file a complaint regarding agreements, contracts, terms and conditions or any other matter or service, you may do so in person, in writing (letter or email) or by telephone, preferably with your relationship manager. You may also contact the Customer Ombudsman. You may obtain information about our procedures for addressing complaints by requesting it at a branch office, calling 707 50 50 50 or +351 211 112 346, or visiting our website, bankinter.pt.

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