

The need to remove PIN-pad obligations for EV charging payments

We, the undersigned associations, welcome the publication of the Alternative Fuel Infrastructure Regulation (AFIR), a key pillar of the “Fit for 55” legislative package.

As industry stakeholders from across the globe representing the whole electric charging ecosystem, we believe in the importance of the transport sector’s contribution to sustainable energy and the ambition of climate neutrality. We are cooperating closely as industry and with government and civil society to achieve these important goals. In that context, we also support efforts to take a consumer-focused approach to make driving and charging electric vehicles (EVs) more convenient and reliable.

How consumers pay for charging EVs is an important element in their charging experience and ensuring availability of widely used payment methods will increase acceptability and accessibility of EVs. However, it is our collective view and concern that the AFIR proposals obligation for direct payment card functionality on public charging stations is overestimating the positive impact for customers and underestimating the negative consequences on overall EV infrastructure and availability of charging.

The current draft reports of the European Parliament Transport (TRAN) and Industry (ITRE) Committees would require all publicly accessible recharging stations, regardless of their power output, to accept electronic payments through terminals and devices used for payment services which should at a minimum include payment card readers. They also ask for all existing stations to be retrofitted with such card readers by 2025.

As was pointed out by many in the industry already, such a requirement would require a significant investment in hardware, installation, and operational costs to facilitate only a marginal percentage of transactions requiring this payment method.

AFIR and PSDII requirements

As the AFIR proposal sets out specific requirements on payment transactions on public infrastructure in terms of EV charging sessions, the European Payment Services Directive II (PSD II) must also be taken into consideration.

The current PSD II requires the use of a credit/bankcard terminal with the entry of a PIN authentication for every fifth payment transaction, every time an amount over €50 is procured or for a cumulative transaction of €150 with the same credit card.

Following the proposed amendments from the European Parliament Transport and Industry Committees on payment methods for EV charging, and according to the requirements laid down in PSD II, a PIN-pad would thus be required to be installed for each public charging station. This will have considerable consequences on both costs and the available installation space. This will in turn negatively affect the roll out of publicly accessible AC and DC charging stations, lead to higher costs and inevitably to higher consumer prices.

Therefore we, as EV industry associations, request the removal of the PIN-pad obligation laid down in the current PSD II regulation for payment transactions via a card terminal at recharging stations for EVs throughout Europe, acknowledging that:

- **Small transaction amounts are central to the EV charging business:** A typical payment transaction at an AC - or normal - charging station for a "full charge" (charging the battery up to

80 %) results to approx. €8 per charging transaction on average. This could be supplemented by a few euros for a parking fee (charging time) in some cases where this is applicable.

These are trivial amounts that are far below the limits for contactless transactions in the EU, such as the €50 limit in Germany for bank cards and major credit cards. While the amounts charged for DC or fast charging can be higher, even these are nowhere near the €50 threshold.

• **New payment technologies are rapidly adopted by consumers:** The spread of smartphones with wallets, where Strong Customer Authentication (SCA) is implemented via fingerprint / Face-ID or similar, is increasing. PIN entry is no longer required, neither for the amount limit, nor if the user exceeds the limit of five payment transactions or the €50 limit in Germany or €150 limit in other member states. For this reason, customers – if it is available - will tend to use SCA. The AFIR proposal should be technology neutral and future-proof, enabling all future payment options. That includes taking into account the rapid increase in mobile payments with embedded SCA.

• **The PIN-pad requirement is unnecessary and comes at disproportionate costs:** Additional costs for a terminal with a PIN-pad (which accounts for only 1-2% of payment transactions) make the entire installation of charging infrastructure considerably more expensive and will increase the costs for the EV driver, reducing the acceptance of EVs as an alternative to the internal combustion engine car.

This additional requirement to equip recharging stations with a PIN-pad card terminal will also cause much longer certification times due to the increased complexity in the assessment procedure. In addition, higher maintenance costs are incurred over the lifetime of the charger as the PIN-pad is part of the certified charging point. This will unnecessarily slow down the roll-out of charging infrastructure throughout Europe. Hence, we believe that the PIN-pad obligation is not proportionate.

Therefore, we request to remove the PIN-pad obligation for the EV charging industry by either (A) exempting EV charging from the PSD II or (B) changing the PSD II so the requirement is removed.

Option A: Exempt EV charging sessions from the SCA requirement in PSD II.

Parking and public transport have been given an exemption from SCA due to low transaction amounts and given the importance for consumers to be able to complete their transaction. Charging of EVs should be put into the same category as parking or riding public transport.

The extension of such an exemption to payment transactions for EV charging sessions is reasonable and logical since the comparability of the circumstances is clear. All cases involve comparably small amounts and EV users are particularly reliant on using this kind of infrastructure. As we are aware of the shortcomings of the SCA exemption in PSD II - including the transposition into national law - and the lack of a European wide harmonized standard, we request an EU-wide solution to exempt EV charging sessions from this requirement to ensure the PIN-pad obligation does not affect EV charging infrastructure. This could be achieved through a clarification via the revision of PSD II that SCA for EV charging can be provided via several secure means of payment, excluding the use of a PIN-pad.

Option B: Make use of the definition of payment services according to Annex 3 of PSD II, aligning PSD II and AFIR.



We believe in strong data protection and would like to refer to industry roaming agreements where this sensitive element has been smartly integrated. This demonstrates our commitment, and we are supporting the same level of protection for ad-hoc charging. We therefore see the need for secure transactions around payment for charging and consider the choice of future proof and secure payments as crucial for AFIR.

Apart from a possible exemption, we recommend implementing SCA in a cost-efficient way. PSD II provides a broad definition of payment services in its Annex 3 that could reflect technological trends, with the possibility to link this to AFIR. This would lead to an alignment of two essential and overlapping pieces of EU legislation and would avoid the PIN-pad requirement, allowing for SCA via smartphones.

We believe that both options would ultimately benefit the consumer, by making payments convenient, safe, and accessible. In parallel, it would enable the accelerated roll-out of EV infrastructure as resources can be dedicated to creating more charging locations instead of retrofitting well-functioning hardware.

