Article 57: Unauthorised-payment refunds

Council first-reading position 8543/1/26 REV 1, 4 November 2026. Verified 19 November 2026. Final wording and numbering may change.

Application
The Council position provides for general application 21 months after eventual entry into force under Article 124. Final Official Journal text and calendar dates remain to be checked.

Provision
Article 57(1)-(6)

Requirement
The payer’s provider refunds an unauthorised transaction immediately and no later than the end of the following business day after discovery or notification, unless the specified objectively justified suspicion route applies. On that route, further investigation leads within 15 business days to refund or justified refusal with escalation information. Where applicable, restore the account and correct the value date. The initiation-service route assigns the customer refund to the account-servicing provider and separate compensation to a liable initiation provider.

Responsible
The payer’s provider, or account-servicing provider in paragraph 4, handles customer redress. A liable initiation provider compensates the account-servicing provider immediately on request.

Timing
The default is immediate refund with a next-business-day outer limit. The paragraph 2 suspicion decision is due within 15 business days after discovery or notification. Paragraph 4 independently states an immediate and next-business-day refund requirement.

Conditions and exceptions
Paragraph 1 requires objectively justified suspicion of payer fraud or intentional or grossly negligent breach of Article 53; the latter grounds must be communicated in writing. Apply Articles 55, 56 and 63 and the exact route conditions. A payer-fraud conclusion also requires communication to the relevant national authority.

PSD2 comparison
PSD2 Article 73 is the principal predecessor. Compare the Council suspicion grounds, investigation route and decision deadline rather than assuming identical procedures.

Source: Council of the European Union, 8543/1/26 REV 1. Updated article card.

What it means for the fraud function

- Start the refund clock when the bank discovers the transaction or receives notification.

- Require documented objective grounds and the specified communications before using the suspicion route.

- Separate restoration and value-date corrections from inter-provider compensation recovery.

Common misreadings

- Fifteen business days is not the default waiting period for every unauthorised-payment refund.

- An open investigation alone does not establish the suspicion exception.

Episodes: Archive lesson 7, Season 1 episode 4. Links on the updated HTML card.