Article 59: Authentication support by suppliers and schemes

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 59, unnumbered provision

Requirement
Technical service providers and payment-scheme operators providing services to the recipient or either payment provider are liable for direct financial damage caused by their contractual failure to supply services necessary for strong customer authentication. Liability is proportionate to that failure and cannot exceed the transaction amount.

Responsible
The relevant technical supplier or payment-scheme operator bears the specified liability to the recipient or payment provider that suffers the direct financial damage.

Timing
The contractual support failure and its causal connection to the affected transaction must be established. Article 59 states no separate numerical claim deadline.

Conditions and exceptions
The duty is limited by the contractual remit, causation, direct financial damage, proportionality and the transaction-amount cap. Other customer-facing liability and recovery provisions require separate assessment.

PSD2 comparison
The Council correlation Annex lists no direct PSD2 predecessor. This does not exclude thematic or technical-standard precursors.

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

What it means for the fraud function

- Map authentication dependencies to named suppliers and payment schemes.

- Preserve incident logs and contractual service obligations when an authentication path fails.

- Calculate direct damage and the transaction cap separately from other possible remedies.

Common misreadings

- The article refers to payment schemes, not payment systems as an interchangeable category.

- Every supplier outage does not establish liability without the specified contractual failure and causal damage.

Episodes: Coverage follows the curriculum. Links on the updated HTML card.