Article 87: Transaction monitoring and evidence

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 87(1)-(6); recital 141

Requirement
Providers maintain monitoring to support strong authentication and exemptions and to prevent and detect potentially fraudulent transactions, including initiation services. Mechanisms analyse previous transactions and online account access and take account of all minimum risk factors in paragraph 2. Under paragraph 3, the payer's provider monitors before execution and the recipient's provider before funds are made available. A monitoring failure with financial damage to the payer creates a separate liability route. Independently, the payer's provider must give the payer evidence that both providers monitored; failure to give that evidence requires refund of the transaction amount, subject to the payer-fraud qualification in the following sentence. The provider concerned bears the burden of proving no breach of paragraph 3.

Responsible
Both providers perform their own monitoring. The payer's provider supplies the payer evidence of both providers' performance. The provider concerned bears the burden of proving no paragraph 3 breach.

Timing
Monitor before execution or funds availability, respectively. Retain the listed monitoring data no longer than necessary and never beyond five years after the customer relationship ends.

Conditions and exceptions
Paragraph 3 states the payer-fraud exception to the payer's protection from financial consequences. Payer-provider and recipient-provider data processing have distinct lists and necessity limits under paragraphs 4 and 5.

PSD2 comparison
The Council Annex lists no direct PSD2 article predecessor. Existing Delegated Regulation 2018/389 Article 2 already requires transaction monitoring; compare its scope with these Council duties.

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

What it means for the fraud function

- Retain transaction-linked monitoring timestamps and outcomes from both banks.

- Build an evidence-retrieval route that can actually supply the payer with evidence of both providers' monitoring.

- Separate the failure-and-damage liability analysis from the independent failure-to-provide-evidence refund route.

Common misreadings

- Internal evidence that the payer's bank monitored is not evidence that both providers monitored.

- Monitoring only after funds become available does not meet the recipient-provider timing requirement.

Episodes: Archive lesson 7, Season 1 episode 1, Season 1 episode 0, Season 1 episode 2, Season 1 episode 3, Season 1 episode 4. Links on the updated HTML card.