

Open Banking Europe

Understanding Payment Statuses

Factsheet



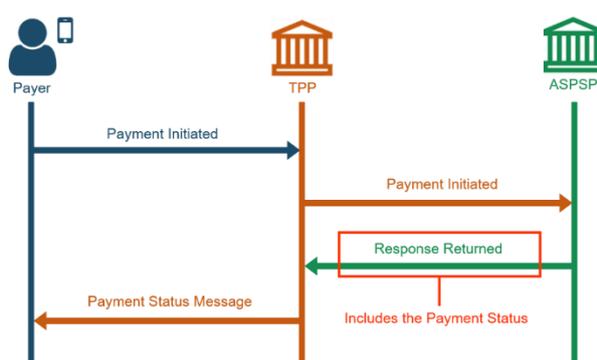
TPPs are unsure which Payment Statuses are returned by Bank APIs & what they mean, making it difficult for them to track payments & provide customer support

What Is A Payment Status?

A Payment Status is **a message that indicates how far that a payment has progressed**. Payment Statuses are returned by Bank (ASPSP) APIs when TPPs initiate payments or request payment updates on behalf of customers (PSUs) using their application to make payments.

Payment Statuses are also known as **Booking Statuses, Booking Messages, Transaction Statuses**, and **Payment Request Statuses**.

What Payment Statuses Do TPPs Need?



TPPs need to know which Payment Statuses are available and what each one means, so that they can add suitable requests to their applications to check for those statuses through to payment completion. They can then return the correct Payment Status back to their customers via their application, i.e. whether the payment has simply been initiated successfully, is in progress, or is complete.

Knowing which Payment Statuses are available also helps TPPs manage customer issues. If a customer complains to a TPP that a payment they initiated through the TPP's application has not been completed, the TPP will check the responses that they received from the bank's API after payment initiation to determine at what point the payment failed and why.

If TPPs don't understand what statuses are available or their purpose, they cannot be sure what information to present back to their customers in their applications.

How Have ASPSPs Implemented Payment Statuses?

Banks have employed **the guidance provided in PSD2 API frameworks**, such as those created by the Berlin Group, the Open Banking Implementation Entity (OBIE), and STET. The frameworks direct Banks to use the **Payment Transaction Status codes defined under ISO 20022**, i.e. the messages and processes that should be available between financial institutions (see page 3). The frameworks have interpreted the ISO 20022 codes in different ways and added Payment Statuses outside of ISO 20022.

Banks have built their Open Banking APIs to **reflect the requirements of PSD2** which mandates that **customers should receive what they get via their online or mobile interfaces** and Banks want to give customers a consistent experience. Payment statuses are **surprisingly complicated, especially in a batch processing world** where settlement can depend on external systems and so a payment status **may depend on cut-off times**. These different factors may cause confusion. **The result is not necessarily TPP friendly**.

To summarise:



ISO 20022 provides a standard set of Payment Statuses that ASPSPs can integrate into their Open Banking APIs. However, these Payment Statuses are designed for the world of cash management, rather than Open Banking.



Frameworks

Frameworks have largely aligned their guidance to the ISO 20022 codes but have interpreted them in slightly different ways, with some statuses omitted, other statuses added, and some status definitions either amended or excluded.



Banks

Banks are following the available PSD2 frameworks and ISO 20022 but the statuses offered vary due to different interpretations of the frameworks, bank cut-off times, and the requirement to align their APIs to existing customer experience.



TPPs

TPPs are left confused by the different implementations and have to analyse and test out those differences to understand all of the statuses that might be returned to payment completion and integrate all of them into their applications.

What Is Our Conclusion?

The subject of Payment Statuses is a complex topic that is not easy to resolve but will need to be mutually agreed between all parties over time to provide a consistent customer experience.

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Open Banking Europe work with the financial community to identify the outstanding issues and questions around Open Banking and Open Finance and to seek a consensus on the various approaches that may be adopted.

If you want to find out more, contact OBE using info@openbankingeuropa.eu or visit <https://www.openbankingeuropa.eu/>

What Are The ISO 20022 Payment Transaction Status Code Definitions?

ISO 20022 defines the following Payment Transaction Status codes:

Code	Name	ISO 2022 Definition
ACCC	AcceptedSettlementCompleted	Settlement on the creditor's account has been completed.
ACCP	AcceptedCustomerProfile	Preceding check of technical validation was successful. Customer profile check was also successful.
ACCC	AcceptedSettlementCompleted	Settlement on the creditor's account has been completed.
ACSC	AcceptedSettlementCompleted	Settlement on the debtor's account has been completed. Usage: this can be used by the first agent to report to the debtor that the transaction has been completed. Warning: this status is provided for transaction status reasons, not for financial information. It can only be used after bilateral agreement.
ACSP	AcceptedSettlementInProgress	All preceding checks such as technical validation and customer profile were successful and therefore the payment initiation has been accepted for execution.
ACTC	AcceptedTechnicalValidation	Authentication and syntactical and semantical validation are successful.
ACWC	AcceptedWithChange	Instruction is accepted but a change will be made, such as date or remittance not sent.
ACWP	AcceptedWithoutPosting	Payment instruction included in the credit transfer is accepted without being posted to the creditor customer's account.
RCVD	Received	Payment initiation has been received by the receiving agent.
PDNG	Pending	Payment initiation of individual transaction included in the payment initiation is pending. Further checks and status update will be performed.
RJCT	Rejected	Payment initiation or individuation transaction included in the payment initiation has been rejected.
CANC	Cancelled	Payment initiation has been cancelled before execution. Remark: This code is accepted as new code by ISO2022.
ACFC	AcceptedFundsChecked	Preceding check of technical validation and customer profile was successful, and an automatic funds check was positive. Remark: This code is accepted as new code by ISO2022.
PATC	PartiallyAcceptedTechnicalCorrect	The payment initiation needs multiple authentications, where some but not yet all have been performed. Syntactical and semantical validations are successful. Remark: This code is accepted as new code by ISO2022.
PART	PartiallyAccepted	A number of transactions have been accepted, whereas another number of transactions have not yet achieved 'accepted' status. Remark: This code may be used only in case of bulk payments. It is only used in a situation where all mandated authorisations have been applied, but some payments have been rejected.

OBIE also employs the follows ISO 20022 External Investigation Execution Confirmation codes:

Code	Name	Definition
PDCR	PendingCancellationRequest	Used when a requested cancellation is pending.
RJCR	RejectedCancellationRequest	Used when a requested cancellation has been rejected.