

Payment service providers

The Payment System Act (Official Gazette 66/2018, 114/2022 and 136/2024) that entered into force on 28 July 2018 governs payment services and their providers, the obligations of payment service providers, payment institutions and payment systems.

In accordance with Article 4 of the Payment System Act payment services are:

- 1) services enabling cash to be placed on a payment account as well as all the operations required for operating a payment account;
- 2) services enabling cash withdrawals from a payment account as well as all the operations required for operating a payment account;
- 3) execution of payment transactions, including transfers of funds on a payment account with the user's payment service provider or with another payment service provider, in particular:
 - a) execution of direct debits, including one-off direct debits;
 - b) execution of payment transactions through a payment card or a similar device;
 - c) execution of credit transfers, including standing orders;
- 4) execution of payment transactions where the funds are covered by a credit line for a payment service user, in particular:
 - a) execution of direct debits, including one-off direct debits;
 - b) execution of payment transactions through a payment card or a similar device;
 - c) execution of credit transfers, including standing orders;
- 5) issuing of payment instruments and/or acquiring of payment transactions;
- 6) money remittance;
- 7) payment initiation service; and
- 8) account information service.

Payment service providers are:

- credit institutions,
- payment institutions and small payment institutions,
- electronic money institutions and small electronic money institutions, and
- registered account information service providers.

Payment service user means a natural or legal person making use of a payment service in the capacity of payer and/or payee.

The Payment System Act enables payment service users to submit complaints to payment service providers and the Croatian National Bank as the competent authority, and alternative dispute resolution. Out-of-court complaint procedures and alternative dispute resolution are governed by Chapter 6, Title III, Article 70 and Article 71 of the Payment System Act which govern complaints to payment service providers and the competent authority, respectively. Complaints may be submitted by payment service users. Article 72 refers only to consumer payment service users and governs alternative consumer dispute resolution.

Complaints to the payment service provider

In accordance with Article 70, paragraph (1) of the Payment System Act, a payment service user may submit a complaint to the payment service provider if it deems that the payment service provider does not comply with the provisions of Title II and Title III of the Payment System Act. Title II of the Act governs the obligation to provide information to payment service users and Title III the rights and obligations of payment service providers and users in relation to the provision and use of payment services. In accordance with Article 71, paragraphs (2) and (3) of the Payment System Act, a payment service provider is obligated to submit its final reply within maximum ten days of the day of receipt of the complaint. Exceptionally, where a payment service provider is unable to provide a reply within the ten-day time limit for reasons beyond the control of the payment service provider, it is obligated to send a holding reply to the payment service user, within that time limit, indicating the reasons for a delay in replying to the complaint and specifying the time limit by which the payment service user will receive the final reply which may not exceed 35 days.