

Verification of Payee

Ensure compliance and combat fraud with Tietoevry Banking. As a trusted Routing and/or Verification Mechanisms partner, we help banks meet Instant Payments Regulation ahead of the October 5, 2025, deadline.

Verification of Payee (VoP) – the missing piece

The newly added procedure to verify the recipient's name and account before initiating an account-to-account payment is improving payment security and providing the payer with the ability to decide whether to proceed with the payment. However, this implementation affects banks' processes, particularly operationally, as they manage immediate responses.

OPT-IN OR OPT-OUT

VoP scheme presents an **opportunity for participants to either opt-in or opt-out**. Possible reasons to opting out include being located in an EU Member State outside the Euro Area or offering accounts that don't fall under the definition of 'payment account' as per EU law.

→ Opt-in?

The Verification of Payee (VoP) scheme **strengthens payment security by preventing fraud and reducing misdirected payments**. By verifying recipient details before transactions, VoP helps limit rising financial fraud (such as the €4.3 billion lost in 2022, according to the ECB) and minimizes costly errors (like the \$236 billion in improper payments reported by the U.S. government in 2023).

Additionally, participating in the VoP scheme **ensures regulatory compliance** for SEPA and other payment types, positioning your organization ahead of regulatory changes.

← Opt-out?

The VoP scheme may not be mandatory until the Instant Payments Regulation (IPR) is integrated into local laws. **There are also valid reasons to opt-out**, such as existing fraud prevention measures, cost concerns, or technical limitations.

WHATEVER YOUR DECISION, PAYMENT SECURITY COMES FIRST

There is no right or wrong choice, but the decision must be carefully evaluated, and the necessary steps must be taken.

✦ **If you choose to opt-in, we'll help you integrate VoP into your workflows to maximize its benefits.**

✦ **If you opt-out, we will help you assess alternative solutions to ensure your payment processes remain secure and compliant.**

Whether you opt-in or opt-out, Tietoevry Banking is here to support you. With our expertise in payment systems and operational changes, we can guide you through the process.

ADDRESSING BOTH, THE DIFFICULTIES AND THE ADVANTAGES

The introduction of new schemes burdens financial institutions with significant responsibility, particularly regarding **liability issues** and **file handling**. Challenges exist in areas like maintaining an **extensive audit trail** and ensuring **accurate timestamping**. Financial institutions must navigate these complexities to stay compliant and secure.

At the same time, there are opportunities in integrating Verification of Payee (VoP) with **Funds Approval** and **Request to Pay** transactions, which can enhance security and efficiency, ultimately benefiting both institutions and their customers.

Our dedicated team is committed to supporting banks in navigating these dilemmas and identifying the best possible solutions.

Industry timelines and regulation obligations

2025

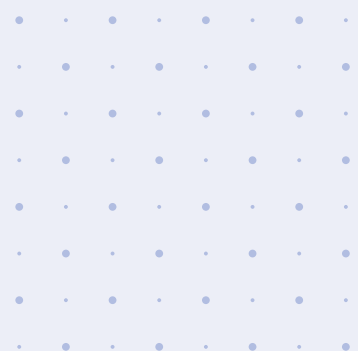
- **January 9:** Compliance obligations for SEPA Instant (receiving).
- **February:** EPC will invoice all scheme participants who have not opted out, for the 2025 VoP scheme participation fee and EDS setup fee.
- **October 5:** VoP compliance deadline for Euro banks, including Nordic banks operating in Euro countries.
- **October 9:** Compliance obligations for SEPA Instant (sending).

2026

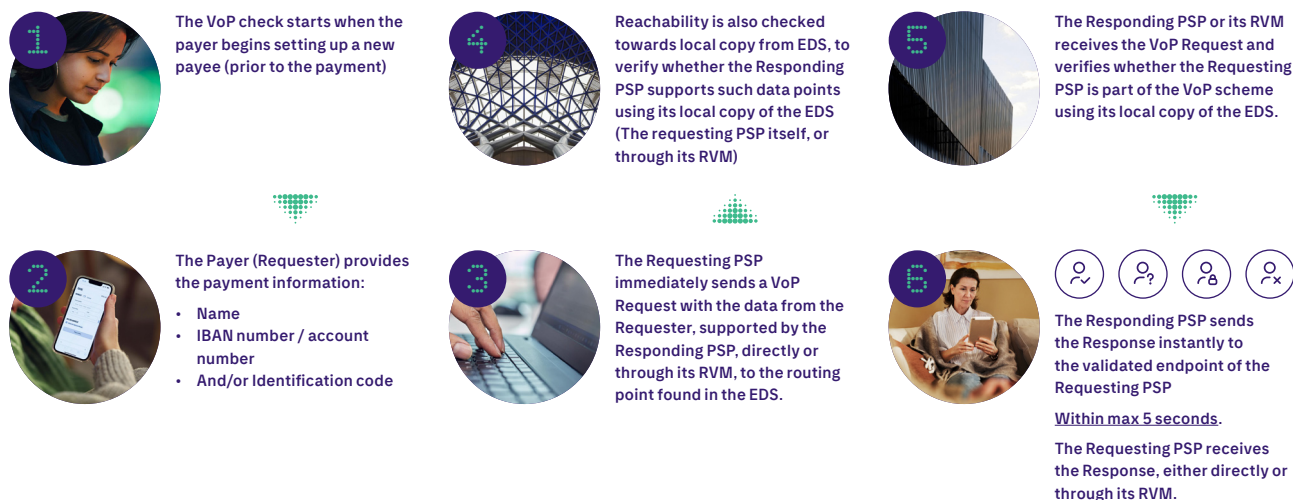
- **Q4:** PSD3 and PSR come into effect, initiating an 18-24 month transition period.

2027

- **Q4:** VoP becomes mandatory for all credit transfers in the EU, including the Nordics.



Verification of Payee main flow

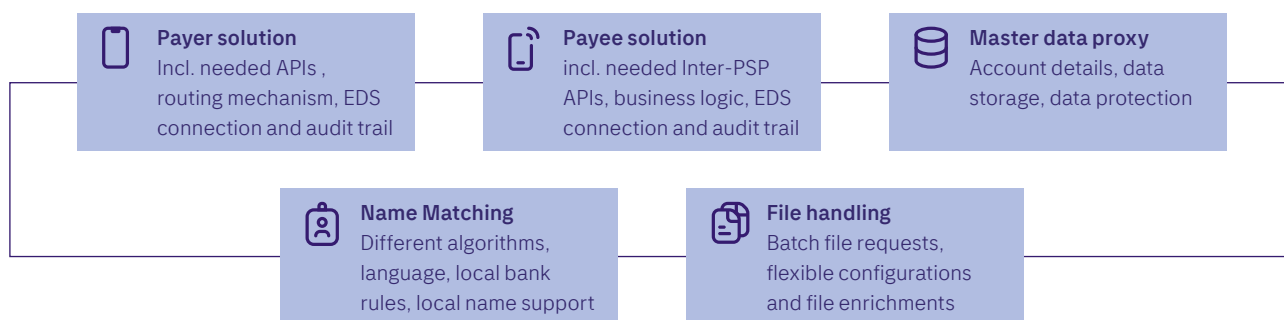


The fundamental aspect of the scheme revolves around the request and response mechanism, which requires all banks to provide the payer with four potential outcomes as part of their reporting. This process begins when the payer sets up a new payee before initiating payment. The responses received by the payer enable them to make an informed decision on whether to proceed with the payment or not. Our solution takes care of both the payer and payee, ensuring a streamlined and effective process.

Your preferred RVM and partner

Verification of Payee is an isolated, independent module from Tietoevry Banking – as an own process prior to the payment. It is offered as a service or software. Each capability is designed to execute a specific task and can operate independently, allowing seamless communication with other services through simple APIs. This ensures cost-efficiency, expedites time to market, future-proofs operations, and facilitates the development of a versatile and evergreen payments infrastructure.

Tietoevry Banking offering as an RVM has different capabilities, composed and available based on your needs



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