

PSD review and application to fleet cards



May 2025

Since the European Commission tabled the PSD3/PSR proposal in June 2023, FCE has closely monitored discussions in the European Parliament and Council¹. FCE members strongly agree that a key priority of the review should be improving the implementation and harmonisation of the PSD2 framework across Member States. FCE also welcomes the co-legislators' aim to enhance consumer protection, combat and mitigate payment fraud, and integrate former electronic money institutions.

As we approach the commencement of trilogue negotiations, **FCE strongly urges co-legislators to unequivocally recognise that fleet cards are not payment instruments and therefore fall outside the scope of both the existing PSD2 and the upcoming PSD3/PSR frameworks**, given their distinct business model and limited-use nature, which differentiate them from general-purpose payment instruments.

1. Fleet cards are not payment instruments and thus should be exempt from Payment Services regulations

Primary Position: *Fleet cards must be excluded from PSD2, PSD3/PSR based on their business model, legal structure, and regulatory precedent. This reflects legal clarity, economic substance, and the position taken by many NCAs, the EBA, and CJEU jurisprudence.*

Fleet card companies support European transport companies and fleet operators, enabling them to refuel and recharge vehicles across the continent. Fleet card companies operate under a "buy/sell" business model, based on independent contractual agreements between at least three parties (in B2B relationships). They handle supply transactions for fuels or other vehicle or mobility-related supplies, bearing the financial risk of buying and reselling fuel, electricity or other energy types. Importantly, fleet card companies do not manage client funds; customers are only invoiced and pay following receipt of the goods and services.

¹ See FCE's previous positions papers: [The persisting need for a harmonised approach to LNE notifications under PSD2](#) (December 2022), [EU Commission study on the application and impact of PSD2](#) (March 2023), [PSD2 review - General observations and feedback](#) (September 2023), [Council's discussions around the scope of PSR](#) (February 2024).



Unlike payment instruments, the authentication process that validates fleet card users is separate from the settlement. As a result, **fleet cards do not initiate any transfer of funds**. They are not consumer-focused and are primarily used on a business-to-business basis. Fleet cards are identification instruments operating within a “**closed loop**”/**limited network**, restricting access to the purchase of a very limited range of mobility-related goods and services, ensuring control and security for both operators and users. Fleet card companies **implement both contractual and technical safeguards to ensure the cards are only used for their intended purpose**, with controls over card acceptance, product authorisation, restrictions, and transaction monitoring. For a detailed presentation of the characteristics of fleet cards, please refer to Annex 1 of this document.

These unique characteristics have led thirteen national competent authorities (NCAs)² to confirm that fleet cards are not payment instruments and therefore fall outside the scope of PSD2. However, the feedback received from NCAs has been inconsistent with Member States providing conflicting responses on whether fleet cards should or should not fall under the scope of PSD2. In some instances, there is even no consensus within the same NCA, with some fleet card companies being informed that their cards fall within the scope of PSD2 and others not. This is in spite of the fact that these fleet card companies operate identical business models.

Recent EU legal developments reinforce that fleet card companies should fall outside the scope of PSD2 and PSD3/PSR, which is in line with EU VAT Guidance. In September 2023, the VAT Committee has agreed on guidelines with regard to the VAT treatment of purchases of fuel made with fleet cards stating that – under certain conditions that are typically met in the fleet card business model – the transaction can be deemed a supply of goods. This approach was first supported by the Advocate General’s 2024 opinion in the CJEU Digital Charging Solutions (C-60/23) case and then by the CJEU itself, which confirmed that similar models in the EV sector do not involve financial intermediation.

These interpretations reflect growing consensus that fleet card issuers acting as resellers or commissionaires, without handling client funds, are merchants – not payment service providers. This aligns with the European Banking Authority’s (EBA) view, which asserts that when fuel card issuers act as resellers legally and effectively serving as merchants responsible for goods and/or services provided to cardholders and bearing the associated risks they should not fall under PSD2, as no intermediation services are involved³

² Austria, Belgium, Denmark, Germany, Greece, Luxembourg, Hungary, Poland, Romania, Slovenia, Slovakia, Spain and Sweden.

³ See EBAs [response](#) to the Commission’s request for comments on the review of the Payment Services Directive (EBA/REP/2022/14) of 23 June 2022, Section 1, Question 3, No. 3.3, page 25 et seq. (recitals 92 and 93).



In view of the foregoing, **FCE urges co-legislators to unequivocally recognise and stipulate that fleet cards fall out of the scope of the Payment Services regulatory framework** during the adoption of the PSD3/PSR.

2. Inconsistent assessments by NCAs have significant negative implications for the industry

Contingency Ask (Fallback Position): *In the event that exclusion is not adopted in the final text, it is essential that the Limited Network Exemption (LNE) is preserved and harmonised across Member States to ensure legal certainty and consistent treatment of fleet card providers. The current divergence creates significant barriers to cross-border business and undermines the internal market.*

Should co-legislators fail to recognise that fleet cards are not payment instruments, it becomes imperative that regulators ensure that fleet cards continue to fall under the Limited Network Exemption (LNE) provision, currently established under Article 3(k)(ii) of PSD2. It is crucial to maintain the LNE regime, as specified in Article 2(2)(j) of the Tabled Payment Services Regulation (PSR) and Recital 13.

However, it is worth underscoring that as things stand, the inconsistent notification process under the LNE regime complicates compliance efforts, introduces operational challenges, increases costs, and creates confusion for the fleet cards industry, which must navigate differing requirements in each Member State⁴. This ongoing uncertainty places undue administrative burdens on fleet card companies and creates additional hurdles that are misaligned with the principles and objectives of the EU internal market. Further harmonisation efforts on the LNE notification process and company assessments are thus required to align with these principles and objectives.

In summary, FCE urges co-legislators to either clearly exclude fleet cards from the scope of the PSD3/PSR framework or, if not, ensure their continued coverage under the Limited Network Exemption and implement further harmonisation of LNE notification requirements and assessments. FCE members are available to discuss this issue further with co-legislators.

⁴ For more Information about the need for a harmonised approach from NCAs on LNE notifications, please see FCE forthcoming position paper (anticipated publication: June 2025).



About FCE

[Fleet Cards Europe \(FCE\)](#) represents the independent fuel card sector in Europe, which facilitates the access and supply of fuel and other related on-the-road goods and services for millions of commercial users across Europe. FCE members represent a major share of the B2B fuel cards market in Europe and our membership base includes key independent players in this market which are headquartered and operate across the continent. Most European logistics, transportation and other fleet businesses rely on the services (issuing, billing, fuel discounts, etc.) provided by FCE members, helping them to move goods and people efficiently and seamlessly across Europe on a daily basis. For further information, please contact the FCE Secretary General at: aurelie.decker@fleetcardseurope.org

Annex 1: the unique characteristics of fleet cards

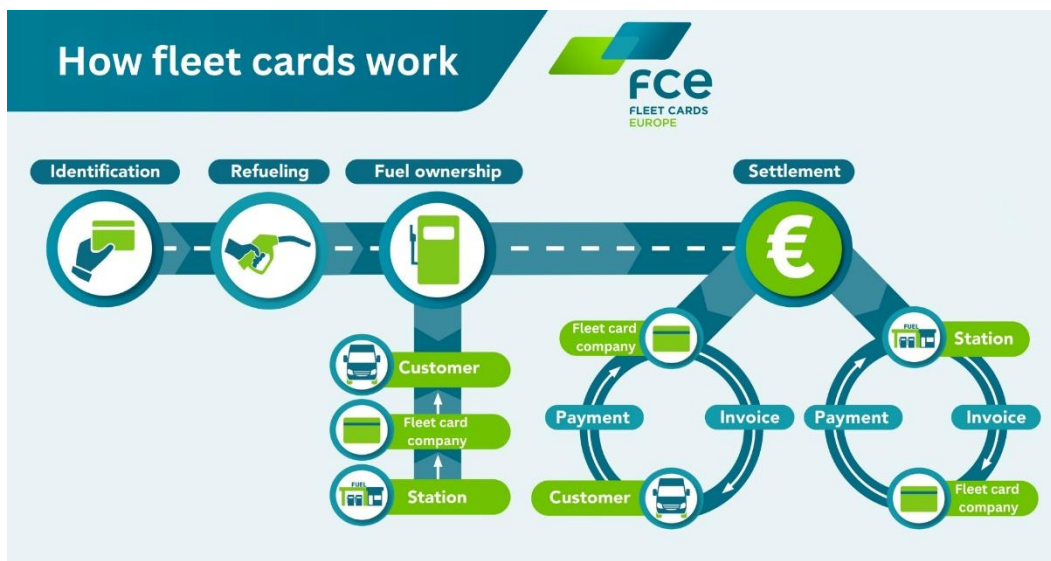
Fleet cards, whether physical (card) or digital (mobile or in-car app), are **identification instruments** strictly used for the purpose of obtaining a very limited range of vehicle-related goods and services, such as conventional and alternative energies, roadside assistance, toll charges, parking and ferry fees as well as excise duty and VAT refund services.

Fleet cards specifically do not initiate any transfer of funds and are not consumer focused, predominantly being used on a business-to-business basis. Unlike payment cards which are general-purpose, fleet cards are niche instruments which serve a very specific purpose and can only be used in a limited way.

The fleet card business model

Fleet card companies operate under a "buy/sell" business model, based on independent contractual agreements between at least three parties (in B2B relationships), whereby the parties conclude supply transactions for fuels or other vehicle or mobility-related supplies (hereinafter referred to uniformly as "fuel"). The fleet card business model operates as follows:

- Customer identifies itself.
- A mineral oil company sells fuel to the fleet card company ("fleet card company").
- The fleet card company sells fuel to the fleet card user (= customer of the fleet card company).
- Only the physical delivery of the fuel takes place directly from the mineral oil company to the fleet card user.
- The transfer of legal ownership and settlement is based on independent and separate contractual relationships.

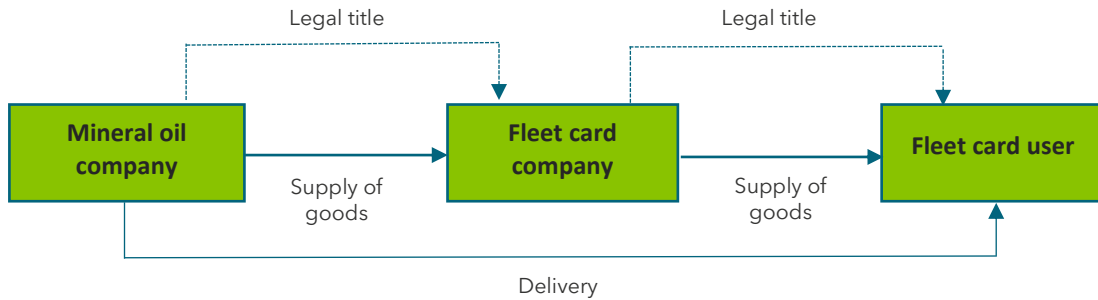


* Transfer of legal ownership and settlements are based on independent contractual relationships

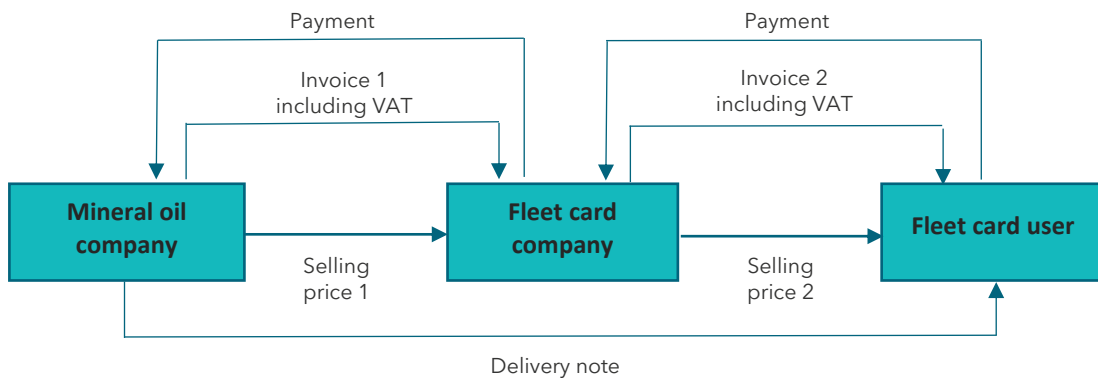


The predominant buy/sell business model in the fleet card industry works as follows⁵:

Contractual relationship



Invoicing and settlement





Differences between fleet cards and payment cards

Fleet cards possess distinct characteristics and features that set them apart from payment instruments, such as credit and debit cards. Unlike payment instruments, the authentication process that validates fleet card users is separate from the settlement process. As a result, **fleet cards do not initiate any transfer of funds** and are not consumer-focused; they are primarily used on a business-to-business basis.

⁵ Please note, it is also possible to have more than 3 parties involved in a fuel card supply chain.

The differences between fleet cards and payment cards are detailed below.

	
Fleet cards	Payment cards
Fleet card company	Payment card issuer
<ul style="list-style-type: none">• Acts as a buyer/seller/supplier of goods and services• Does not need payments license from the authorities• Is not subject to supervision by the EBA/national supervisors according to PSD2 (PSD2 includes an exemption for fuel card issuers)	<ul style="list-style-type: none">• No seller/supplier of goods and services• Needs payments license from the authorities• Is subject to the supervision by the EBA/national supervisors (no utilization of the PSD2 exemption)
Commercial chain transaction based on civil law (in the event of deficiencies in performance, the fleet card user sues the fleet card company)	Financial transactions (in the event of deficiencies in performance, the payment card user does not sue the payment card issuer, but the mineral oil company)
Purchase and sale of goods and services (as a part of the chain transaction)	Payment or granting credit (as a part of the financial transaction chain)
Card with identification function, no payment function	Card with payment function
<ul style="list-style-type: none">• Card holder<ul style="list-style-type: none">◦ Acts in the name and on behalf of the fleet card company◦ Receives solely a delivery note at the "Point of Sale"◦ Receives purchase invoice showing VAT exclusively from the fleet card company	<ul style="list-style-type: none">• Card holder<ul style="list-style-type: none">◦ Acts on his/her own behalf◦ Receives a purchase invoice showing VAT exclusively at the "Point of sale"◦ Receives debit notification/account statements from the payment card issuer