

Legal Flash

February 2023

“Phishing” in protected waters

Law 5019/2023 (the “Law”) was recently published in the Government Gazette and includes, inter alia, provisions around the strengthening of the consumers’ protection against phishing attacks

The Law introduces provisions aiming to improve consumers’ protection with a focus on market operation rules, underaged consumers, and phishing attacks. Until now, in the event of an electronic fraud, the only level of protection the consumer had was to question the fraudulent transaction before the payment service provider and then file a complaint with the Cyber Crime Division, without the possibility of immediate reimbursement of the funds lost.

The new provisions strengthen consumers’ protection against cases of online fraud/ fishing with fake websites, electronic messages, or notifications (“phishing”) and at the same time force payment service providers to improve their existing security systems and control mechanisms for online transactions. Phishing is a well-known fraudulent practice which takes place through the misappropriation of consumers’ authentication codes (e.g., PINs, TANs) used for their online transactions.

This provision is added by way of amendment to article 74 of Law 4537/2018 on ‘*Payment services and other provisions*’. The key aspects of the provision are summarised below:

Protected Persons

Said provision applies only to consumers, i.e., natural persons who act for reasons that fall outside of their commercial, business, craft or liberal professional activity, thus any legal person is excluded from the scope of the provision.

Consumers have limited liability for gross negligence

In cases where the damage has occurred by cause of the consumer’s gross negligence, the consumer shall be liable for such damages up to the amount of 1,000 euros. The consumer remains fully liable, irrespective of the extent of the damage, for any damages that have occurred as a result of its fraudulent intent or due to fraudulent breach of its obligations.

The consumer shall be liable up to an amount of maximum 1,000 euros, assessing the nature of the personalised security credentials and the specific circumstances under which the payment instruments were lost, stolen or misappropriated.

Payment service providers' obligations

Payment service providers may be obliged to compensate consumers for any damages incurred from unauthorised payment transactions which were conducted by misappropriation of the consumer's credentials, even if said misappropriation is due to the consumer's gross negligence.

It should be noted though, that the payment service provider may not be obliged to compensate the consumer and limitation of the consumer's liability may not apply in cases of gross negligence, where the payment service provider is in the position to prove that it "possesses and applies additional, effective and more sophisticated transaction control mechanisms, than those applied for strong customer authentication, for transactions which may cause losses in excess of one thousand (1,000) euros, such as in particular control mechanisms using artificial intelligence technologies or additional code or biometric identification or telephone confirmation".

Enforceability Date

The said provision shall come into force on 1 September 2023, granting sufficient breathing space to payment service providers to take all the appropriate measures and procedures in order to achieve more resilient security systems in electronic transactions.

Let's talk

For a deeper discussion regarding the new developments that the Provision introduces, please contact:



Regulatory Advice Leader

Kalliopi Vlachopoulou,
Senior Manager, PwC Greece

T : +30 694 875 7337

E : kalliopi.vlachopoulou@pwc.com

www.pwc.gr

This information is intended only as a general update for interested persons and should not be used as a basis for decision-making.

For further details please contact PwC: 268, Kifissias Avenue 15232 Halandri tel. +30 210 6874400

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