Compliance Guidelines for Embedded Financial Products and Adyen for Platforms

Best Practices and Templates

adyen

ADYEN COMPLIANCE GUIDELINES FOR EMBEDDED FINANCIAL PRODUCTS AND ADYEN FOR PLATFORMS - BEST PRACTICES GUIDANCE

OVERVIEW

This document is intended to assist Platforms with providing materials required to demonstrate compliance with Adyen's Compliance Guidelines for Embedded Financial Products and Adyen for Platforms (the "**Guidelines**"). The following guidance is covered in this document:

1. guidance on the form of materials that may be accepted to demonstrate compliance with each section of the Guidelines;
2. best practices for drafting policies that are required under the Guidelines; and
3. best practices for handling customer complaints, along with suggested templates to be used for responding to complaints.

ACCEPTED MATERIALS FOR COMPLIANCE GUIDELINES

Preface: In the vast majority of cases, the Guidelines do not mandate any specific format or presentation of the required materials. Rather, the focus is on compliance with the substance of the requirement. For example, platforms must demonstrate that they have procedures for handling complaints. This could be demonstrated by a formal complaints handling policy, but also with a clear description of the procedures the platform has put in place to ensure the effective handling of complaints. Therefore, platforms should focus on ensuring that the provided materials meet the substantive requirements of the Guidelines, and not on the format or presentation of the materials where this is not mandated specifically in the Guidelines. Of course, platforms must ensure that any customer-facing materials are clear and understandable.

Guidelines Section	Accepted materials to demonstrate compliance	Product Scope
1. User Application and Interface	Platforms must provide screenshots of their user interface, clearly showing that all functionalities and information disclosures required in this section of the Guidelines are included in the interface.	• General requirements apply to all products (AfP and EFP). • Other requirements are product-specific; please carefully review the specific requirements in the Guidelines.
2. Account Statements	To evidence compliance, Platforms must provide either: (i) copies of account statements (e.g., in PDF format); or (ii) screenshots of account statements or user interface clearly showing the ability of sub-customers to view the required information. In each case, all information required in this section of the Guidelines must be clearly shown in the account statements.	EFP only.
3. Collateral Material and User Communications	Copies of all Collateral Material (as defined in the Guidelines) must be provided. This can include links, PDF/image file copies, video copies, etc.	• General requirements for marketing material apply to **all products**. • Certain additional requirements for marketing material and customer communications apply

		to **EFP products** and certain requirements are region-specific.
4. Customer Service and Support	• Platforms must outline their policies and procedures for ensuring high quality customer service and support. This can be provided either: (i) as a formal written customer service/support policy; or (ii) a narrative description of the platform's policies/procedures in this regard. Among other requirements, the platform's procedure for reporting required support queries to Adyen (as set out in the Guidelines) should be mentioned. • Platforms should provide any training materials (e.g., manuals or scripts or template responses for customer support agents).	All products.
5. Customer Complaints	• Platforms must outline their policies and procedures for handling and resolving customer complaints. This can be provided either: (i) as a formal written complaints handling policy; or (ii) a narrative description of the platform's policies/procedures in this regard. Among other requirements, the platform's procedure for reporting required complaints to Adyen (as set out in the Guidelines) should be mentioned. • Platforms must make available to customers information on how to make a complaint and an overview of their complaints handling procedure. This information/documents must be provided to Adyen.	All products.
6. Notification and Reporting to Adyen	Platforms must outline their policies and procedures for reporting all items that, under this section of the Guidelines,	All products.

<table>
<tr><td></td><td>must be reported to Adyen. This is more likely to be in the form of a narrative description, rather than a formal policy. The description should include allocation of responsibility within the organisation for completing the notification and reporting.</td><td></td></tr>
<tr><td>7. Pricing and Eligibility Requirements</td><td>Platforms must provide all disclosures required under this section of the Guidelines. This should be evidenced by providing the platform’s terms of service and/or fee schedule, but can also be evidenced by other means (e.g., pricing information on the platform’s website.
Platforms must describe their procedures for reporting required pricing information to Adyen
UK only: Platforms must provide to Adyen a completed Pricing Onboarding Questionnaire.</td><td>A small number of general requirements apply to all products.
Certain additional requirements are product-specific.</td></tr>
<tr><td>8. Recordkeeping</td><td>Platforms must outline their policies and procedures for recordkeeping. This can be provided either: (i) as a formal written recordkeeping policy; or (ii) a narrative description of the platform’s policies/procedures for recordkeeping. These policies/procedures must cover the keeping of records within all of the categories listed in this section of the Guidelines. The policies/procedures must provide that records are kept for at least 5 years after termination of the relevant Adyen service and sub-customer's account closure.</td><td>All products.</td></tr>
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BEST PRACTICES FOR POLICY DRAFTING

1. General principles for policy drafting

- The policy should have the intended audience of both relevant platform agents who will apply the policy in practice, and customers.
- The policy should be written in plain language and avoid jargon, technical terms and long/complex sentences.
- The policy should be structured in clear headings and bullet points, for maximum readability.
- The policy should be easily accessible on the platform's website.
- The policy should be accessible in languages of all regions where the platform operates, and should be compatible with assistive technologies (e.g., text-to-speech) to ensure accessibility by users of different abilities.
- Relevant stakeholders should review and input into the policy before it is published. These include the teams who will be responsible for applying the policy in practice (e.g., customer support teams for customer support and complaints handling policies) and the platform's legal team.
- Once the content is finalised, the team who will be applying the policy in practice should be trained on the policy to ensure it is followed.
- The policy should be reviewed on a periodic basis (e.g., annually or semi-annually).
- Version control should be applied, meaning that a clear version label should be applied to each iteration of the policy (e.g., "Version 1" "Version 2", etc), along with the date of the version. Records of previous versions should be kept.

2. Key sections to include in customer support policies

- **Introduction**
  - Explain that the policy's objective is to ensure consistent and high-quality customer support.
  - Briefly outline what the customer can expect from your support team and re-iterate your commitment to customer satisfaction.
- **Scope of customer support**
  - Clearly define the products and services that the support team will handle.
  - Outline the products and services that are not in scope.
- **Support channels**
  - Outline all channels that are available for accessing customer support (e.g., email, phone, chatbot/live chat, social media, self-service portals, FAQs, etc. Links to each channel should be included.
  - Specify the days and times that each support channel is available (including time zone).
  - Outline expected response times (e.g., within 24 hours, within 5 minutes).
  - State that customers can request special assistance if required.

- **Guidance on how to access and use customer support**
    - Provide clear guidance on how to access and use each customer support channel.
    - Suggest information that customers should include when contacting support (e.g., account number, specific error messages, screenshots).
    - Emphasise that customers should provide as much detail as possible to assist with resolving the issue quickly.
- **Escalation path**
    - Explain how support queries are escalated to relevant teams to ensure resolution.
- **Complaints**
    - State that customers may make a formal complaint to the platform if they are not satisfied with the platform's handling of the customer's query.
    - Link to the platform's complaints handling policy and to the webpage on the platform's website where customers can make a complaint.
- **Recordkeeping, confidentiality and data privacy**
    - Explain that records of customer communications will be retained for at least five years.
    - Explain that all information provided via customer support channels is strictly confidential.
    - Outline the platform's commitment to data privacy and security.
    - Link to the platform's full privacy policy.
- **Training**
    - Explain that all customer support staff will receive appropriate training. This may include scripts, guidelines, etc.
- **Monitoring**
    - Explain the procedures that will be implemented for monitoring the quality of the platform's customer support. This may include surveys sent to customers asking for feedback on the quality of the support and periodic analysis of the survey results to assess the overall quality of customer support.
- **[UK and Ireland only]: Vulnerable customers**
    - Explain that the platform recognises that certain customers may be in vulnerable circumstances (due to factors such as health, life events, resilience and capability) and require special assistance as a result.
    - Outline that the platform has taken the following measures to ensure its customer support function identifies and assists vulnerable customers:
        - customer support is available in various channels (list the channels) to ensure accessibility by customers of varying abilities and compatible with assistive technologies (if applicable - provide details);
        - customers have the ability to request special assistance via support channels; and
        - the platform's customer support agents receive training to enable them to identify and assist vulnerable customers.

- **Updates**
  - State that the policy may be periodically updated.
  - Indicate the version of the policy and the date the policy was last updated.

3. <u>Key sections to include in complaints handling policies</u>

- **Introduction**
  - Explain that the purpose of the policy is to ensure that complaints are handled efficiently and fairly, and to clearly outline to customers the procedure that the platform will follow for handling complaints.
- **Scope of the policy**
  - Explain that the policy is limited to matters that meet the definition of “complaints”.
  - Explain that a complaint is an expression of dissatisfaction with a product or service being offered by the Platform.
  - Explain that a complaint is not considered to be a customer service question or inquiry that includes a request to the platform for information and assistance related to a process or product.
- **Guidance on how to make a complaint**
  - Explain how customers can make a complaint (e.g., through a complaints form on the platform’s website or via the customer support channels).
  - Provide a link to the complaints form on the platform’s website (if applicable).
  - Suggest information that customers should include when making a complaint (e.g., account number, specific error messages, screenshots).
  - Emphasise that customers should provide as much detail as possible to assist with resolving the complaint quickly.
- **Timelines for complaints handling**
  - Explain that the platform will adhere to the following timelines for complaints handling:
    - acknowledge all complaints within 5 business days;
    - resolve complaints within 15 business days from the complaint submission date; and
    - notify sub-customers if complaints will take longer than 15 business days to resolve.
- **Escalation path**
  - Explain how complaints are escalated to relevant teams to ensure resolution.
  - Explain that complaints will be escalated to a third party that the platform has an outsourcing arrangement with where such third party is solely or jointly responsible for the issues underlying the complaint.
  - Outline that the customer may have the right to refer their complaint to an ombudsman or dispute resolution service if they are not satisfied with the platform’s final response to the complaint. The relevant details of such service will be provided to the customer.

- **Reporting**
    - Explain that the platform may be required to report details of complaints to third parties with whom the platform has an outsourcing arrangement.
    - Explain that the platform is required to identify the root cause of each complaint and may be required to report details of the root causes of complaints to third parties with whom the platform has an outsourcing arrangement.
- **Recordkeeping, confidentiality and data privacy**
    - Explain that records of the customer's complaint (including all communications relating to the complaint) will be retained for at least five years.
    - Outline that records will be kept in a format that facilitates efficient reporting to third parties where required.
    - Explain that all information provided via customer support channels is strictly confidential.
    - Outline the platform's commitment to data privacy and security.
    - Link to the platform's full privacy policy.
- **Updates**
    - State that the policy may be periodically updated.
    - Indicate the version of the policy and the date the policy was last updated.

4. **<u>Key sections to include in customer recordkeeping policies</u>**

Note: The recordkeeping section of the Guidelines relates only to records concerning sub-customers, and not recordkeeping generally. Platforms may wish to use a general recordkeeping policy; in such case they may decide to either incorporate the below considerations for sub-customer recordkeeping into the general recordkeeping policy, or to adopt a separate policy for sub-customer recordkeeping.

- **Introduction**
    - Explain that the policy's objective is to ensure that accurate and complete records in relation to the platform's customers are kept, in order to ensure that customers can be properly supported and to comply with the platform's legal obligations.
- **Scope of the policy**
    - Explain what type of records the policy applies to. This should be defined broadly and include at least the following:
        - transaction records/account statements;
        - customer communications; and
        - general customer files (e.g., reports showing key information such as onboarding date, personal information, etc.).
    - Explain all the formats of records that are covered by the policy. This should be defined broadly and include at least the following:
        - Physician (including paper); and

        - electronic (including emails, instant messages, databases, recordings, social media communications).
- **Record identification**
    - Explain the procedures used to ensure proper identification of records within the platform's record storage system. This should include assigning metadata (e.g., creation date, author, department, retention period, sensitivity level) to facilitate management and retrieval.
    - Assign ownership for keeping of customer records to specific teams/individuals.
- **Record retention schedules**
    - Retention schedules specify the minimum periods each type of record must be retained for. This section must specify that all records relating to customers must be retained for at least **5 years** from the date the sub-customer terminated its services and closed their account. However, the platform may require a longer retention period.
- **Secure storage and preservation**
    - If applicable, specify requirements for secure storage of physical records, specifying secure facilities, environmental controls and access restrictions.
    - Detail requirements for secure storage of digital records, including secure servers, cloud storage, data encryption, data redundancy (backups) and disaster recovery plans.
    - Explain measures in place to prevent unauthorised alteration, destruction or loss of records.
    - Explain measures to ensure authenticity of records (including origin and integrity) over the lifecycle of a record.
    - Ensure records remain accessible and readable throughout their retention period, even as technology evolves (e.g., migration strategies for obsolete formats).
- **Access and retrieval**
    - Explain access protocols for records (i.e., access is granted only to authorised personnel based on the principle of least privilege.
    - Explain that all access, modification, and retrieval activities are logged and auditable.
    - Reiterate that all customer information is confidential and must be protected during access and retrieval.
- **Destruction of records**
    - Explain the platform's process for securely destroying records once their retention period has expired. This process must enable the platform to easily identify records that have passed their retention period and must use appropriate secure destruction methods for the record format (e.g., shredding for physical records, data wiping for digital records).
    - Explain procedures for documenting the destruction of records (date, method, authorisation for destruction).

- Explain that records subject to legal holds (e.g., due to legal proceedings or investigations that might relate to the records) are exempted from destruction, regardless of their retention period.
- **[UK and Ireland only]: Vulnerable customers**
    - Explain the platform's system for recording customers that have been identified as vulnerable, including the vulnerability category (Health, Life Events, Resilience, and Capability).
    - Outline that detailed records of all customer interactions that concern vulnerability factors will be kept.
    - Explain that such records are maintained in a format that enables efficient onward reporting to third parties, where required.
- **Updates**
    - State that the policy may be periodically updated.
    - Indicate the version of the policy and the date the policy was last updated.

BEST PRACTICES FOR COMPLAINTS RESPONSES

- Assign a unique reference number for each complaint that is quoted in all messages/correspondence regarding the complaint.
- Establish instant automated acknowledgements to complaints (using the template in the “Templates for Responses to Complaints” section).
- Ask open-ended questions to obtain all necessary details (e.g., "Could you tell me more about what happened?" or "When did you first notice this issue?")
- Use empathetic language that acknowledges the customer’s experience, e.g., "I understand you're frustrated with..." or "I'm sorry to hear you've experienced this problem with...".
- Use simple and jargon-free language.
- Focus on finding a solution to the issue and avoid defensiveness.
- If there are multiple options for resolving the issue, explain these to the customer and offer choices.
- Set clear expectations for when the customer can expect follow-up responses and ensure these are adhered to.

BEST PRACTICES FOR INVESTIGATING AND RESOLVING COMPLAINTS

- Seek to understand the situation from the customer’s perspective and assess the complaint objectively.
- Obtain as much information as possible from the customer (e.g., error messages, screenshots, etc) that will assist in resolving the complaint.
- Keep detailed records of the complaint, all communications from the customer and responses from the platform.
- The focus of investigating the complaint should be identifying the root cause of the complaint. Once identified, the root cause must be recorded.
- Where any fault of the platform has been identified as the cause of the complaint, consider if compensation is appropriate.
- A complaint can be considered “resolved” when the platform has determined that there is nothing further to investigate regarding the complaint and the platform has issued its final response to the customer. If the customer is still not satisfied and the platform has determined that there are no further actions the platform can take to address the customer’s concerns, the platform should communicate to the customer that it has issued its final response to the customer. The platform can consider a complaint to be “resolved” once the final response to the complaint has been issued.

Q&A FOR COMPLAINTS REPORTING

1. *Why are Platforms required to report complaints to Adyen?*

In the EU, UK and US Adyen is subject to customer complaint handling requirements. Along identifying, responding to and resolving customer complaints, Adyen is also required to maintain proper record keeping of complaints (which includes date when the complaint was received, resolved, reasons for complaints, etc.), as well as to perform certain reporting to regulators, as required (e.g. in the UK). As a part of the agreement between Adyen and Platforms, Platform agrees to manage complaint handling of sub-merchants. As Platforms are responsible for the identification, acknowledgement and resolution of Complaints, Adyen relies on Platforms to report complaint data to meet these reporting requirements.

2. *Why can't we gather the data internally from the tickets that Platforms have opened with Adyen?*

Adyen must maintain complaint data for each sub-merchant. For this reason, crucial details are the dates when the complaint was received from a sub-merchant, when the resolution was communicated to the sub-customer, as well as whether there were any follow-ups brought communications from the sub-merchant (in order to determine whether complaint is closed or still open). As communications and complaint handling are managed by Platforms, these data points are only known to the Platform as they are the one communicating with the customer. Adyen is dependent on Platforms to provide this information.

3. *How should the Platform report complaints to Adyen?*

Platforms may use the template provided on Adyen Docs notify Adyen of in the event of the receipt of a customer Complaint. A guideline for identifying and reporting complaints are listed here.

4. *How should the Platform distinguish complaints from support tickets?*

Complaints contain an expression of dissatisfaction with Adyen's services and products. This differs from routine requests for technical assistance, or general questions which do not include an expression of dissatisfaction are not complaints and should not be reported. Furthermore, platforms are required to report all complaints explicitly related to Adyen's products and services: e.g. anything that contains a complaint about a business account, card issued, capital provided, etc. Complaints of general nature which are not directed to Adyen's product or service (e.g. general problems with Platforms, login issues, etc.) shall not be reported.

5. *How often should Platform report to Adyen?*

On a quarterly basis. This means that, at the beginning of the new quarter, the complaints from last quarter should be reported. In addition, platforms are required to notify Adyen of all Security Regulatory or Legal Complaints within two business days.

SUGGESTED TEMPLATES FOR RESPONSES TO COMPLAINTS

Automated acknowledgement template

[Include a reference number that has been assigned to the complaint]

Dear [customer name],

Thank you for reaching out to us and for taking the time to share your concerns. We truly value your feedback, as it helps us continue to improve our services and better support our customers.

We are reviewing your complaint and a support representative will contact you within five business days. To help us resolve this issue as quickly as possible, please be prepared to share as much information as possible about your concern with the representative. This may include your account number, details of specific error messages, screenshots, etc.

If you require any special assistance, please let us know through one of our customer support channels [include links to all available support channels]. Please include the complaint reference number at the top of this message.

In line with our complaints handling policy, we will aim to resolve your concerns within 15 business days. For an overview of our procedures for handling customer complaints, please see our complaints handling policy [include link to complaints handling policy].

[**UK and Ireland only**]: If you are not satisfied with our final response to your complaint, or if we have not resolved your complaint within 15 business days, you may have a right to refer your complaint to the Financial Ombudsman Service (UK) or the Financial Services and Pensions Ombudasman (Ireland). The contact details for these services are as follows:

Ireland	**UK**
Address: Lincoln House, Lincoln Place, Dublin 2, D02 VH29. Phone: +353 1 567 7000 Email: info@fspo.ie	Website: www.financial-ombudsman.org.uk Online complaint form: https://help.financial-ombudsman.org.uk/help Mail: The Financial Ombudsman Service Exchange Tower, London, E14 9SR

	Phone: 0800 023 4 567 (free), 0300 123 9 123, weekdays from 8:00am–5:00pm (GMT). If you're not in the UK, call +44 20 7964 0500.

Thank you again for bringing this to our attention.

Kind regards,

[ ]

Response template

[Include a reference number that has been assigned to the complaint]

Dear [customer name],

Thank you for reaching out to us and for taking the time to share your concerns. We truly value your feedback, as it helps us continue to improve our services and better support our customers.

[If further information is required]: To help us investigate this issue and address your concerns as quickly as possible, please send us the following information:

[Outline all required further information]

[If complaint can be responded to]: We have reviewed your complaint. [Outline response and any decision (including reasons for the decision) the platform has made concerning the complaint]

If we have not addressed your concerns, please let us know. Our aim is to resolve the issue as quickly as possible.

Thank you again for reaching out to us.

Kind regards,

[ ]

Template update if complaint will take longer than 15 business days to resolve

Note: for customers in the UK or Ireland, this communication must be sent every 15 business days until the platform resolves the complaint to the customer's satisfaction or issues its final response to the customer.

[Include a reference number that has been assigned to the complaint]

Dear [customer name],

We are contacting you about the complaint you raised with us, with the reference number quoted above.

While we aim to resolve all complaints within 15 business days, this is unfortunately not always possible. As we require more time to investigate your complaint and identify a solution, we are unfortunately not able to resolve your complaint within 15 business days. We are aiming to resolve your complaint within [include estimated timeframe].

We apologise for the delay in resolving your complaint and we hope to fully address your concerns as soon as possible.

Thank you for your continued patience.

Kind regards,

[ ]

[UK and Ireland only]: Final response template

Note: a "final response" can be the first response to the customer's complaint, if the platform has determined that no further information or investigation is required. In such case, the response must clearly state that it is the final response and include the details of the relevant ombudsman.

[Include a reference number that has been assigned to the complaint]

Dear [customer name],

Thank you for reaching out to us and for taking the time to share your concerns. We truly value your feedback, as it helps us continue to improve our services and better support our customers.

[Outline a summary of the customer's complaint and the platform's responses to date. Explain the platform's final response and any decision made, along with the reasons for the decision.]

This is our final response to your complaint. If you are not satisfied with this response, you may have a right to refer your complaint to the Financial Ombudsman Service (UK) or the Financial Services and Pensions Ombudsman (Ireland). The contact details for these services are as follows:

Ireland	UK
Address: Lincoln House, Lincoln Place, Dublin 2, D02 VH29. Phone: +353 1 567 7000 Email: info@fspo.ie	Website: www.financial-ombudsman.org.uk Online complaint form: https://help.financial-ombudsman.org.uk/help Mail: The Financial Ombudsman Service Exchange Tower, London, E14 9SR Phone: 0800 023 4 567 (free), 0300 123 9 123, weekdays from 8:00am–5:00pm (GMT). If you're not in the UK, call +44 20 7964 0500.

Thank you again for reaching out to us.

Kind regards,

[ ]