Protecting Press Sustainability: Why Merchant-Initiated Transactions Must Be Excluded from Unconditional Refund Rights Under the Payment Services Regulation (PSR)

Position for Trilogue Negotiations *September 2025*

Executive Summary

The proposed extension of unconditional eight-week refund rights to Merchant-Initiated Transactions (MITs) under Articles 62(1) and 63 of the Payment Services Regulation poses an existential threat to European press sustainability, both digital and in print. We urge negotiators to adopt the European Parliament's position and exclude MITs from this provision.

Background

The European Commission's proposal to extend unconditional refund rights, currently limited to direct debits, to all Merchant-Initiated Transactions represents a fundamental shift that would encompass subscription payments via credit cards, PayPal, and similar services that form the backbone of modern press financing.

While the European Parliament explicitly rejected this extension in its April 2024 report, the Council maintained the Commission's approach in its general position. The forthcoming trilogue negotiations present a critical opportunity to prevent legislation that would undermine the financial sustainability of European editorial media.

1. The Critical Role of Subscription Models in Editorial Media Financing

European press publishers increasingly rely on digital subscription models to maintain editorial independence and compete with global tech platforms. These models typically involve recurring low-value payments through MITs with explicit consumer consent, for digital content delivery that is immediately consumed upon access, and flexible, user-friendly payment processes that encourage democratic participation in press consumption.

The proposed unconditional refund right would allow consumers to claim refunds up to eight weeks after payment—even after fully consuming digital content. This creates an inherent incompatibility with the very nature of editorial media services. Moreoever, this extension could incentivise bad faith consumers to request refunds for digital goods or services that have already been consumed, effectively abling systematic abuse, which is especially problematic as as consumed digital content cannot be "returned."

2. Operational and Consumer Impact

The proposed extension would force press publishers to implement protective measures that contradict the Commission's own objectives of simplification. It would create significant operational challenges such as:

- complex registration processes to mitigate financial risks,
- shortened billing cycles that reduce operational efficiency, and

- additional administrative costs for refund processing that often reach double-digit euro amounts per case.

Press publishers, especially small ones, may face more chargebacks and administrative costs, as they must handle an increased volume of refund claims—including illegitimate ones, without sufficient opportunity to challenge them. Editorial media companies would also face complications with incentive programs such as free devices, free trials, discounts for longer-term subscription cycles, and loyalty rewards that are essential for customer acquisition.

These changes would seriously affect the consumer experience by reducing immediate access to content, eliminating low-barrier entry offers that democratise media access, and delaying delivery of promotional benefits, ultimately undermining customer acquisition tools.

3. Disproportionate Impact on Media Sustainability

The measure is neither proportionate nor necessary in light of existing consumer protections. Consumers already benefit from a 14-day statutory right of withdrawal for distance contracts, strengthened by additional safeguards under Directive 2011/83/EU, as well as the requirement for explicit consent in all MIT arrangements. On the other hand, the financial vulnerability of European editorial press renders this measure particularly problematic. The sector faces tremendous pressures including declining traditional advertising revenues, intense competition from global digital platforms, evergrowing threats from AI-powered content aggregation, and rising content production costs. Unpredictable refund claims would further undermine already fragile business models, putting at risk the financial stability needed to support independent journalism and a diverse media landscape.

4. Democratic and Societal Implications

The financial instability caused by unconditional refund rights poses a serious threat to editorial media diversity, which is a fundamental pillar of democratic society. Only adequately financed print and digital press organisations can fulfill their democratic function of informing public debate and countering disinformation. Furthermore, European press publishers would face additional regulatory burdens not imposed on global competitors, further tilting the playing field against European content creators including those investing in original journalism.

Recommendation

We urge European decision-makers to adopt the European Parliament's position on Articles 62(1) and 63 of the PSR and exclude Merchant-Initiated Transactions from the scope of unconditional refund rights. This approach would recognise the fundamental difference between traditional direct debits, which typically involve annual contracts, and digital media MITs, which involve shorter-term, immediately consumed services. We also call on negotiators to consider the broader implications for press and media sustainability and democratic discourse in Europe.

The proposed extension of unconditional refund rights to MITs is neither necessary nor proportionate. It would undermine European editorial media sustainability at a time when independent, diverse media voices are more crucial than ever. We call on negotiators to prioritize media pluralism and democratic discourse by excluding MITs from this provision.

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This position paper represents the unified position of News Media Europe, the European Publishers Council, the European Magazine Media Association and the European Newspaper Publishers' Association on the Payment Services Regulation trilogue negotiations.