

Legal and data protection (EU)

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This section only applies to:

When adding Klarna Payments to your site, you need to consider

- Data protection and data sharing aspects
- T&C information

Please seek legal advice to ensure compliance with applicable regulations.

Customer Data Sharing

National and EU rules such as the GDPR sets certain limits to how and when you may share customer-identifying information with Klarna.

If you share personal data with Klarna you need to explain this in your privacy notice and link to [Klarna's privacy notice](#) there. Below is an example of what that could look like in your existing privacy notice (the specific data categories transferred to be added, and text to be translated into your local language):

Draft privacy notice text

“In order to offer you Klarna’s payment methods, we might in the checkout pass your personal data in the form of contact and order details to Klarna, in order for Klarna to assess whether you qualify for their payment methods and to tailor those payment methods for you. Your personal data transferred is processed in line with [Klarna’s own privacy notice](#).”

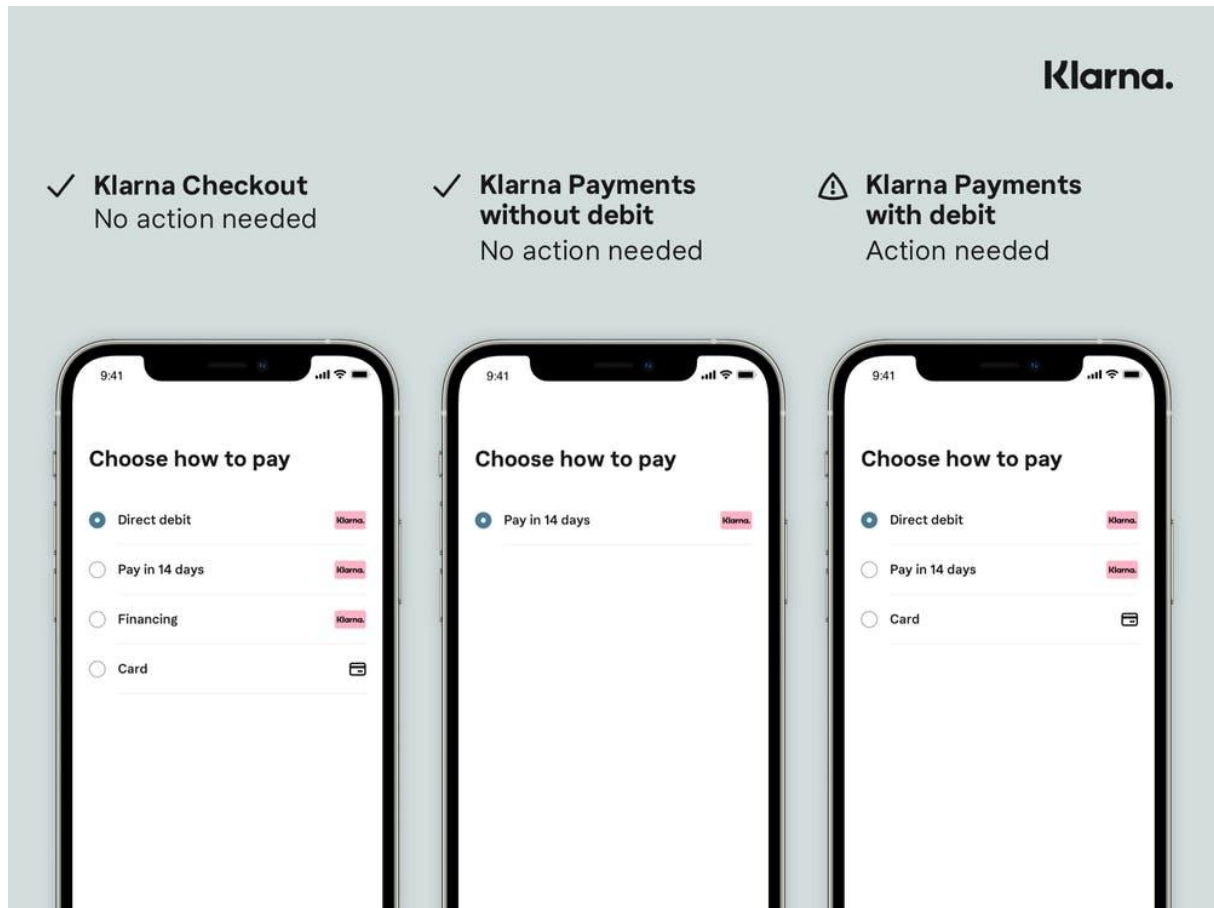
Terms and conditions

Ensure that your terms and conditions reflect your cooperation with Klarna, and that you comply with applicable laws.

New credit legislation - How you will be impacted

New legislation has been adopted by the Swedish Parliament stating that if both credit and debit payment options are offered by a merchant, the debit option(s) must be presented before the credit option(s) in the checkout. This law takes effect 1 July 2020.

Here's what you need to know if you have the following payment & checkout options:



Klarna Checkout (KCO): No action required.

Klarna will take care of all the logic to ensure debit payment options are shown first.

Klarna Payments (KP) with no debit options: No action required.

You are only required to make sure a debit option is placed as the first option if you offer it as a payment method.

Klarna Payment (KP) with debit options: Action required.

As a merchant, you are in control of the order in which payment methods are organized inside your checkout and will need to take steps to comply with the new law.

Continue reading for more details on how KCO will be presented, and what actions we recommend if you have KP with debit options.

What the new law means

New legislation ([Regeringens proposition](#)) adopted by the Swedish Parliament will take effect on 1 July 2020, and will only be applicable to Sweden. The law sets requirements on the presentation of payment methods in online checkouts, enforcing debit payment options to be displayed before any credit payment options, if both are available.

Obligations in the new regulation apply to any parties who present or process payment methods. This includes: merchants, partners, and Payment Service Providers (PSP) like banks. To navigate the new changes, we've published guidelines, to help our merchants and partners to ensure compliance with the legal requirements.

What does this mean for me as a merchant?

The impact for you as a merchant will depend on what payment methods you offer and what checkout solution you use. The new legislation does not require merchants to provide debit payment methods, but does regulate how to present them in an online checkout if you do.

Below is an overview of Klarna payment methods, and how each categorizes in terms of credit or debit options.

Category	Klarna Payment method	Credit or debit?	Can be presented first if other debit options exist?
Pay now	Direct debit	Debit	Yes
Pay now	Bank transfer	Debit	Yes
Pay now	Card	Credit	No
Pay later	14-day invoice	Credit	No
Pay later	Monthly invoice	Credit	No
Financing	Klarna account	Credit	No
Financing	Pay monthly over X months	Credit	No

What do I need to do to be prepared?

Merchants with Klarna Checkout (KCO v2 & v3)

No action needed. Klarna will update the current KCO solution for the Swedish market to make sure that the new legal requirements are followed. You will notice that debit payment methods such as Direct Debit, (when available), will be presented as the first option in your checkout.

Merchants with Klarna Payments (KP)

If you offer Klarna Payments in your checkout, Klarna cannot control the order or logic in which the payment methods are presented. Therefore, as a merchant you are solely responsible to ensure your checkout is compliant and lawful according to the new legislation before it enters into force (1 July 2020).

If you have Klarna Payments (KP) and multiple Klarna payment methods within the same widget then we will manage the logic of sorting these. If a debit payment option exists then that will be displayed first. Credit payment methods that include interest rate will always be displayed as the last option if

others exist. If the multiple Klarna payment methods are placed in different widgets then we cannot control in what order they will be sorted.

Klarna will discontinue support of Klarna Payment Methods (KPM) as of September 2020. Action recommended.

Klarna will no longer be supporting KPM as of September 2020. For automatic updates (including legal compliance), we recommend all merchants move to Klarna Checkout (KCO) or Klarna Payments (KP). With KCO, Klarna will handle the sorting of payment methods for you. To migrate to KCO, you can use the self service flow that is available in the merchants portal ([link](#)). Please reach out to your Klarna account manager to get more information about pricing and how to transfer to Klarna Checkout or Klarna Payments.