

THE ABC'S of CREDIT CARD TERMINOLGY

ACH Credit

A transaction through the ACH network that results in money being placed in the receiver's account at the destination financial institution.

Acquiring Bank

The acquiring bank is the financial institution that maintains a contractual relationship with the merchant. Acting as a "middle man," the acquiring bank receives credit card transactions from the merchant or from the card acceptor, and then settles those transactions with the issuing banks.

The acquiring bank deposits funds into the merchant depository bank account, and recoups those funds from the card issuers. The merchant must pay certain fees to the acquiring bank for handling the credit card transactions.

Related Terms and Synonyms: Acquirer, Merchant Bank.

Acquiring Processor

See [Processor](#).

Address Verification Service (AVS)

A service that is offered as a part of the credit card authorization procedure. Address Verification Service (AVS) is intended to combat fraud in mail order, telephone order, and Internet transactions by including cardholder billing address information in the authorization request. The issuing bank compares the address information in the authorization request message with its database of information about the cardholder. If the address contained in the request message does not match the information in the database, the authorization may be declined. Mail, telephone, and Internet transactions that do not include cardholder AVS data are not eligible for the lowest interchange rates from the VISA and MasterCard networks.

American Express

A company that specializes in the issuance of Travel and Entertainment (T&E) credit cards. American Express competes with VISA, MasterCard, and other card issuing companies. American Express services the cards that they issue, processing their transactions via their own network.

Approval

When a point-of-sale terminal transmits a credit card authorization request, that request will either be approved or declined. An approval response means that the amount of the sale is within the cardholder's credit limit. When an approval code is returned, a hold will be placed on cardholder funds in the amount of the sale for 3 to 21 days, depending on the card issuing bank, and will guarantee funds to the merchant for up to 30 days.

Approval Code

When point-of-sale terminal transmits an authorization request, the terminal will receive a response message that either approves or declines the request. When the transaction is approved, the response message will include a number, the approval code, that confirms the authorization. This code is issued to the merchant by the authorization center or stand-in processor, and is usually recorded on the transaction receipt as proof of authorization. Sometimes called [authorization code](#).

Approval Response

An authorization response message received at the point-of-sale terminal when a transaction is approved.

Arbitration

The procedure used to determine responsibility for a chargeback-related dispute.

Authorization

When a customer uses a credit card to pay for goods or services, the point-of-sale terminal transmits an authorization request message to the merchant's credit card processor.

Authorization is the act of ensuring that the cardholder has adequate funds available to cover the amount of the purchase. The authorization procedure includes other safeguards. For example, during the authorization attempt, lost or stolen cards may be identified. The authorization request may be declined if the card is expired. Address Verification Service may be used to match the cardholder address with records on file in the issuer's database. A positive authorization results in an approval code being generated.

In the most typical scenario, the point-of-sale terminal dials out and transmits an authorization request message. The terminal receives a response message from the credit card network indicating whether the authorization was approved or declined.

An issuer, an authorizing processor, or a stand-in processor must approve or decline the

authorization request. For approved authorizations, a hold is placed against the cardholder's credit limit for the dollar amount approved. The merchant should settle the transaction before the hold is released.

Authorization Center

A department or organization, sometimes controlled by the processor, that can electronically communicate a merchant's authorization requests on credit card transactions to the cardholder's bank. See [Processor](#).

Authorization Code

See Approval Code.

Authorization Only

A transaction type used to reserve an amount against a cardholder's available limit for intended purchases. Auth Only transactions are most frequently used in the lodging, restaurant, and car rental industries, where the transaction amount is finalized later and entered via a Prior Authorized Sale transaction.

Authorization Processor

See [Processor](#).

Authorization Reversal

A transaction for a specified dollar amount used to reverse an approved authorization request.

Automated Clearing House (ACH)

A group of processing and financial institutions that are linked by a computer network. Various types of electronic payment transactions, including credit card settlements, are routed across this network. The Automated Clearing House network provides a means of exchanging funds electronically. The National Automated Clearing House Association (NACHA) is responsible for maintaining the ACH rules and standards governing the exchange of ACH payments between financial institutions.

Average Ticket

The average dollar amount of a merchant credit card transaction that is generally used in pricing decisions and calculations. For example, the Merchant Services Provider may use the average ticket amount to determine the fee structure that will be charged to a merchant for credit card processing.

Balance Inquiry

A debit card transaction that has no dollar amount and that permits the cardholder to obtain the current balance of a checking or savings account.

Bank Identification Number (BIN)

A six-digit number assigned by VISA or MasterCard and used to identify a card issuing institution. The issuer emblazons the plastic cards with its logo. The BIN is the first six numbers embossed on the card.

Bank Settlement Percentage

The percentage fee an acquiring bank takes off the dollar amount of the ticket price as its fee for a transaction.

Bankcard

A debit or credit card, such as a VISA or MasterCard, issued by a bank or other financial institution.

Bankcard Association

An organization formed by a group of banks either for the purpose of sponsoring a single-identity program (such as VISA or MasterCard) or to use common processing and administrative facilities.

Banking Day

With reference to a participating depository financial institution, any day on which it is open to the public during any part of the day, for carrying on substantially all of its financial functions.

Batch

An accumulation of approved credit card transactions waiting to be settled. Typically, approved credit card transactions are accumulated throughout the business day, and then submitted to the processor at the end of the day. The batch may contain sales transactions, credits, voids, and other credit card transaction types.

Batch File

A computer file containing credit card transaction data.

Batch Settlement

The process by which a batch file is electronically transmitted to a transaction processor.

Capture

See [Electronic Draft Capture](#).

Card Issuer

See [Issuing Bank](#).

Card Reader

Any device that is capable of reading data that is magnetically encoded on plastic cards.

See [Magnetic Stripe Reader](#).

Card Verification Code (CVC)

A unique check value encoded on the magnetic stripe of a card to validate card information during the authorization process. The Card Verification Code is used in fraud prevention.

See [Card Verification Value](#).

Card Verification Value (CVV)

The Card Verification Value is calculated from the data encoded on the magnetic stripe - called the Card Verification Code - using a secure cryptographic process. See [Card Verification Code](#).

Cardholder

An individual to whom a credit card is issued, or who is authorized to use an issued card. The cardholder is able to make purchases using the credit card.

Cardholder Bank

The bank that has issued a credit card to an individual. The term is frequently used in conjunction with interchange arrangements to identify the card-issuing bank. See [Issuing Bank](#).

Chargeback

A transaction returned through interchange by an issuing bank to an acquiring bank. A transaction may be returned because of rules and regulations violations, because the sale is disputed by a cardholder, or as a result of fraud. In the case of cardholder dispute, the merchant has the opportunity to appeal and prove that the sale is valid.

Chargeback Period

The number of calendar days from the endorsement date of a transaction receipt (or processing date, as applicable), during which time the issuing bank may exercise a chargeback right. See [Chargeback](#).

Chargeback Reason Code

Two-digit code identifying the reason for a chargeback. See [Chargeback](#).

Clearing

The clearing process includes all of the functions necessary for the acquiring bank to recover funds related to a transaction, in the transaction currency, from the issuing bank. Clearing is part of the settlement process. In the clearing process, the acquirer and the issuer exchange financial details so as to complete a sale. As a result of clearing, the amount of the purchase is posted to the cardholder account. *Related terms:* [Settlement](#), [Posting](#).

Closing

Printing daily reports, balancing, and settling a batch to the credit card network.

Compliance

Bankcard compliance programs define interchange requirements. These requirements are intended to improve the quality of transaction data submitted by the point-of-sale terminal, to combat fraud, to adjust the interchange value of non-compliant transactions, to provide detailed adjustment data to the acquirer regarding any compliance adjustments, and to ensure better chargeback protection. To receive the best interchange rates, the merchant must adhere to rules set forth by the compliance programs.

Credit

A reversal of a purchase. That is, money debited from merchant account and paid back to cardholder. Credit may be issued outside of the original batch.

Credit Card

MasterCard, VISA or other credit cards issued by a bank. A plastic card with a credit limit, which is used to purchase goods and services and to obtain cash advances on credit, for which a cardholder is subsequently billed by an issuing institution for repayment of the credit extended.

Credit Card Association

VISA and MasterCard are the two largest credit card associations. The associations do not directly issue credit cards. However, the associations develop the rules and regulations that govern how these card types are processed.

In turn, how a credit card transaction is processed will determine the fees associated with the transaction. The rules are designed to eliminate fraud, promote use of credit cards in financial transactions, and to accommodate the various industries that desire to accept credit cards as payment for good and services.

Credit Limit

This is a dollar amount assigned to a cardholder as the limit of credit that they are approved to borrow. Credit card purchases are actually loans to the cardholder by the issuer. Approved transactions will deduct the dollar amount from the cardholder's credit limit.

Custom Payment Service (CPS)

VISA's regulations for the information that must be submitted with each transaction. Transactions must meet CPS criteria in order to qualify for the lowest transaction processing fees available.

Decline

A response to a transaction attempt that means the card-issuing bank will not accept the charge, and the merchant must finalize the sale with another form of payment.

Demand Deposit Account

Demand deposits get their name from the terms of agreement on the account -- payable on demand. By law, financial institutions may not pay interest on demand deposit accounts.

Discount Fee

The dollar amount paid by the merchant to the acquirer, or other contracted party, for processing the merchant's credit card transactions.

Discount Rate

The percentage rate that an acquirer charges the merchant for handling credit card transactions. The discount rate is a small percentage of the value of each credit card purchase.

Electronic Authorization

Obtaining authorization for use of a credit card by electronic means, as via computer equipment and telephone line. In an electronic authorization, the merchant's point-of-sale device connects directly to the credit card network to obtain approval for the requested transaction.

Electronic Authorization - Manually Keyed

An electronic authorization in which the customer credit number is entered manually into the point-of-sale device using an attached keypad. The POS device then performs the electronic authorization using the manually keyed data. *Related Term:* [Electronic Authorization - Swiped](#).

Electronic Authorization - Swiped

Most POS devices are equipped with a magnetic card reader. The card reader is able to detect and decode the magnetic bits of information stored on the credit card. When swiped in the card reader, data from the magnetic stripe on the credit card is included by the POS device in the authorization request message that is electronically transmitted into the credit card network. *Related Term:* [Electronic Authorization - Manually Keyed](#).

Electronic Benefits Transfer (EBT)

A type of transaction initiated with an EBT card. This card may have a magnetic stripe or a small microprocessor on it. The card is used to replace the paper distributed by the government for programs like the Women, Infants, and Children program and food stamps. The cardholder may use this card and have the charges deducted from their available benefit dollars for the program that they are participating in. It is a card that is increasing in popularity and use throughout the United States.

Electronic Commerce

In general, the sale of good or services over the Internet. Electronic commerce is a broad term reflecting a wide range of commercial activities, and may include business-to-business transactions, online retail, and the digitalization of the financial industry.

Electronic Credit Application

A application for credit that is transmitted electronically to a credit evaluation company for approval recommendations.

Electronic Draft Capture (EDC)

Before the advent of electronic draft capture, credit card transactions were finalized using a paper-based system. Today, most credit card transactions are processed via dial

connections, leased lines, the Internet, or other electronic means.

Electronic draft capture - that is, the electronic authorization and deposit of credit card transactions - allows credit card transactions to be finalized without the submission of paper drafts to bank for payment. With this method, transactions are routed to VISA, MasterCard, American Express, Discover, third-party processors, or other card companies for processing. Transactions cannot be captured unless previously authorized. For mail order, telephone order, or Internet transactions, goods or services must also have been shipped or transmitted to the consumer before settlement takes place.

Electronic Funds Transfer (EFT)

A paperless transfer of funds from one account to another that is initiated from a terminal, computer, telephone instrument, or magnetic tape.

Electronic Warning Bulletin

A data file containing a list of the restricted VISA and MasterCard credit card accounts. This file or ranges on the Account Management System. For example, when a credit card is reported lost or stolen, the associated account number would be added to the list of restricted accounts. The Electronic Warning Bulletin is updated daily and helps processors determine which authorization requests should be declined.

Before the advent of electronic authorization technology, merchants received a paper booklet containing similar information.

Encryption

The scrambling of a message or file to make it unreadable except by the intended receiver, who unscrambles it.

Entry Mode

A code that describes how the cardholder account information was entered into the terminal. For example, the Entry Mode may indicate whether the credit card account number in the associated transaction was manually keyed, or whether the account number was read from the magnetic stripe.

Floor Limit

A dollar amount limit that VISA and MasterCard has established for single transactions at specific types of merchant outlets. If the purchase amount exceeds the floor limit, then authorization is required. Many companies set their own floor limits and some merchants have agreements with their acquirers that include floor limits.

Force Authorization

A force authorization is one that is not carried out via electronic communication. Rather, the merchant contacts the call center by voice to obtain approval. Then, the force authorization is added to the batch, along with the approval code provided by the call center, so that it can be settled along with electronic authorizations. Force authorizations may be used when an electronic authorization results in a referral message or when the electronic network is experiencing an interruption to service.

Fraudulent Transaction

A fraudulent transaction is a transaction that takes place without the legitimate consent of the cardholder. Such transactions might be derived from the use of lost, stolen, or counterfeit cards, or other fraudulent conditions as defined by the card issuer.

Fraudulent User

An individual who is not the cardholder or designee and who uses a card (or, in a mail/phone order or recurring transaction, an account number) to obtain goods or services without the cardholder's consent.

Host-Based Processing

In a host-based system, credit card transactions are "captured" at the time they occur. In the most common scenario for a host-based system, a merchant processes credit card transactions throughout the business day using a point-of-sale device. The POS device transmits transaction data to the host processor.

The host processor saves each transaction in a file. At the end of the business day, the POS device sends a "batch close" command to the host processor. The "batch close" message contains credit card totals.

If the credit card totals sent by the POS device match the totals calculated by the host processor, then the batch file is closed and funds are transferred. If the POS totals do not match the host totals, then the POS device uploads the complete batch.

In a host-based system, it is the host processor that is primarily responsible for storing transaction data until a batch is closed. See also [Terminal-Based Processing](#).

Synonym: Host-Capture.

Imprinter

A device used to imprint the embossed lines of a credit card on a paper transaction sales draft. The sales draft also includes the merchant's name and ID.

Incremental Authorization

A request for an additional dollar amount on a prior authorization. An incremental authorization is used when the final amount for a transaction is greater than the dollar amount of the original authorization. Incremental authorizations are common in the lodging industry. For example, a hotel guest might register for one night, but then decide to extend the reservation for additional night. In that case, an incremental authorization might be performed in order to get approval for additional charges pertaining to the second night.

Independent Sales Organization (ISO)

An independent sales organization sells credit card services to merchants on behalf of an acquiring bank. The ISO is a separate organization, and is typically not affiliated with a single acquiring bank.

Interchange

The domestic and international systems operated by the MasterCard and VISA associations for authorization, settlement, and routing of interchange and other fees, as well as other monetary and non-monetary information related to credit card activities.

Interchange Fee

A fee paid by the acquiring bank to the issuing bank for each transaction. The fee compensates the issuer for the time lapsing after the acquiring bank has completed settlement, but before the issuing bank has recouped the settlement value from the cardholder. MasterCard International and VISA International independently establish interchange fees for their respective networks.

Internet Service Provider (ISP)

An organization that provides access to the Internet in some form, usually for money.

IPOS System

An integrated point-of-sale system - that is, a system that combines the ability to process credit card transactions with software or hardware manages other business-related functions. For example, a restaurant management system might track menu items, server clock in and clock out, and open tickets, while also interfacing with a credit card module that would allow diners to pay for meals by credit card.

ISO

See [Independent Sales Organization](#).

ISP

See [Internet Service Provider](#).

Issuing Bank

Any VISA or MasterCard association member financial institution, bank, credit union, or company that issues, or causes to be issued, credit cards to cardholders.

An individual desiring a credit card makes application to an issuing bank. The issuing bank undertakes a review of the individual's credit history, current salary, and other such factors. If the application is approved, the issuing bank provides the individual with a credit card and associated account number.

The issuing bank transfers funds to acquiring banks to cover purchases made by the cardholder, and receives the cardholder's payment at the end of the billing period.

Magnetic Ink Character Recognition (MICR)

The process used to read the numbers on a check. The MICR characters (0-9 and 4 special characters) are printed in special toner or ink. When the check is passed through a reader/sorter, it passes by two magnetic heads. The first one magnetizes the MICR character and the second one reads the (now) magnetic MICR character. The character does not retain its magnetic charge for a long period of time.

Magnetic Stripe

A stripe of magnetic information affixed to the back of a credit or debit card. The magnetic stripe contains customer and account information required to complete electronic financial transactions. The physical and magnetic characteristics of the magnetic stripe have been standardized so that the encoded data can be read by commonly available magnetic stripe reading devices.

Magnetic Stripe Data

Cardholder data is recorded on the magnetic stripe on the back of the credit card. Data includes the primary account number, the credit card expiration date, and other discretionary data.

Magnetic-Stripe Reader

A device that reads information from the magnetic stripe of a credit card and transmits that information to a transaction processor or computer terminal. Also referred to as card reader.

Magnetic-Stripe Terminal

A terminal that reads the magnetic stripe on a credit card.

Mail Order / Telephone Order Merchant (MOTO Merchant)

A merchant that transacts business by mail or phone.

Mail Order / Telephone Order Transaction (MOTO Transaction)

A transaction where a cardholder orders goods or services from a merchant by telephone, by mail, or by other similar means, and neither the card nor the cardholder is present at the merchant outlet.

Manual Authorization

In the early days of credit card processing, all authorizations were performed manually. A merchant would use a "knuckle-buster," or imprinter, to take a manual imprint of the credit card.

The merchant would contact a representative of the issuing bank by phone to obtain voice approval for the authorization. Signed vouchers were delivered to the acquiring bank in hard copy so that the transactions could be processed.

With the advent of the electronic credit card network, most authorizations are now performed electronically. However, if the credit card network is experiencing an outage, the merchant can still complete a manual authorization.

MasterCard Card

A card that bears the MasterCard symbol, enabling a MasterCard cardholder to obtain goods, services, or cash from a MasterCard merchant or an acquirer.

MasterCard Issuer

A member of MasterCard International, Inc., that issues MasterCard cards.

Member

An entity or financial organization that is a member of VISA or MasterCard. Acquirers and issuers may be members.

Merchant Agreement

A written agreement between a merchant and a bank or other organization containing their respective rights, duties, and warranties with respect to acceptance of credit cards as a form of payment.

Merchant Bank

See Acquiring Bank.

Merchant Category Code

Four-digit classification codes used to identify the type of merchant business in various stages of transaction processing. For example 5999 is the code given to miscellaneous and specialty retail stores.

Merchant Depository Account

Demand deposit account, or other bank account, established by a merchant to receive payment for credit card transactions submitted to the acquirer. The merchant depository account may be established with the acquiring bank, but this is not required. See also Demand Deposit Account.

Merchant Fraud

Fraud perpetrated by a card acceptor against other parties in a payment system.

Merchant Identification Number (MID)

A unique number issued by the acquiring bank to identify a merchant and the merchant's terminal(s) to a host computer in the credit card processing network.

Merchant Service Provider (MSP)

A merchant service provider is a business entity that provides transaction processing services between merchants and settlement banks.

The MSP contracts to sell transaction processing services for one or several acquiring

institutions. The MSP signs up merchants with processing agreements as provided by the acquirer. The MSP also relays to the merchant quote rates as provided by the acquirer, and can sell or lease POS hardware to the merchant. In some cases, the MSP will continue to service the merchant account on behalf of the acquiring bank. See also [Independent Sales Organization](#).

Merchant Services Department

The department within an acquiring bank that assists merchants with their questions.

Negative File

A file used for stand-in purposes that identifies those cardholders and accounts for which charge privileges have been revoked or restricted by the issuer.

Paper Draft

Sales slips, credit slips, cash disbursement slips, drafts, vouchers, and other paper documents indicating use of a credit card or a card account.

Per Transaction Fees

Fees paid by the merchant to the acquirer on a per transaction basis.

Pick-Up Card

An issuer's response to an authorization request stipulating that the card be confiscated by the merchant and returned to the issuer.

Point-of-Sale (POS)

Location in a merchant establishment where a credit card transaction takes place. For retail businesses, the point-of-sale typically refers to the cashier or check-out desk. For mail and phone order businesses, the point-of-sale has a broader reference, encompassing the customer's telephone, personal computer, or order form, as well as the catalog, advertisement, or other "storefront" material.

POS Terminal

A device located at a merchant establishment that is connected to the credit card network via telephone lines or other means. The POS terminal is designed to authorize, record, and forward credit card data by electronic means for each purchase made by credit card.

Posting

The process of recording debits and credits to individual cardholder account balances.

Pre-Authorization

A pre-approval for a future transaction. The pre-authorization is usually followed, within a specific time interval, by the actual financial transaction that will be settled by the merchant. Pre-authorizations are used primarily in situations where the cardholder wishes to obtain "advance approval" or "verification" that sufficient funds are available to make a subsequent purchase using a credit card.

Prior Authorization

A previously authorized transaction that is manually entered into the terminal's open batch for later settlement. For example, voice-authorized transactions need to be entered into the terminal for payment to take place. This transaction type is also known as a force sale.

Processor

The processor is an organization that furnishes credit card processing, billing, reporting, settlement, and operational services to acquiring banks. The processor provides the computing facilities for routing credit card transactions over a network to the appropriate issuer for authorization or settlement.

Some acquiring banks process their own credit card transactions. Merchant point-of-sale terminals connect directly to computer systems owned and managed by the acquiring bank.

Other acquiring banks outsource the processing of their credit card transactions to a third-party processor. The third-party processor then owns and maintains the hardware and software needed to process credit card transactions. In that case, merchant point-of-sale terminals connect to the third-party processor to transmit credit card requests. The third-party processor provides transaction reporting to the acquiring bank.

Real-Time Transaction

An online transaction, such as an ATM withdrawal, that is usually settled immediately.

Referral

When a credit card processor receives an authorization request from a point-of-sale terminal, the processor can either approve the request, decline the request, or issue a referral. With a referral, the processor has declined the transaction, but the merchant can contact the voice authorization center. If this the voice authorization accepts the transaction, then the merchant will be given an approval code.

Retail Merchant

A merchant that provides goods or services in the retail industry, but is not a mail/phone merchant, a recurring services merchant, or a T&E merchant.

Retrieval Request

A written request to a merchant from a card issuing bank, or from a cardholder, for a copy of a particular sales draft or proof of sale. The merchant may provide the issuing bank with a paper copy or facsimile of the sales draft, or an electronic version of the voucher.

Settlement

Settlement is the procedure that results in the dollar value of credit card transactions being deposited in the merchant's depository account by the acquirer. Most merchants will "settle" credit card transactions on a daily basis by transmitting a credit card batch file to the credit card processor.

Settlement Statement

A document issued to the merchant, indicating the sales and credit activity, billing information, fees and chargebacks occurring during a particular time period.

Soft Decline

A declined response in which authorization is not granted on a valid card not because it has been lost or stolen, but because the credit card account already exceeds the credit limit.

Standard Floor Limit

A floor limit that varies by merchant type. This refers to a dollar limit on transactions above which authorization requests are required.

Stand-In Processing

A backup system that provides authorization services on behalf of an issuer when the issuer or its authorizing processor is unavailable.

Terminal-Based Processing

In a terminal-based system, transactions are not "captured" at the time that they occur. Rather, the point-of-sale device retains all transaction data in a batch file. When the merchant is ready to close a batch, the batch settlement procedure is initiated. The POS device communicates with the host processor, uploading the complete batch file.

Only when the batch file is successfully uploaded to the host is the settlement considered complete. The host returns a message to the POS device, indicating whether the batch was

accepted or rejected. Batches that are accepted by the host are processed and funds are transferred to the merchant. (See also [Host-Based Processing](#).)

Synonym: [Terminal-Capture](#).

Ticket

Another name for the sales slip, or its monetary value, that results when a credit card purchase is made.

Transaction

The most common example of a transaction is the process that takes place when a cardholder makes a purchase with a credit card. The credit card is swiped at the POS terminal. The terminal makes a dial connection to the credit card network, transmitting information related to the sale as well as cardholder account information. Finally, the credit card processor returns a response message indicating approval or denial of the request.

Transaction Date

The date a cardholder effects a credit card purchase of goods, services, or other things of value.

Transaction Identifier

A unique 15 character value that VISA assigns to each transaction. The Transaction Identifier is returned in the authorization response message. VISA uses this value to maintain an audit trail throughout the life cycle of the transaction and all related transactions, such as reversals, adjustments, confirmations, and chargebacks.

Travel & Entertainment Cards (T&E Cards)

Travel & Entertainment cards typically require payment in full each month by the cardholder. Examples are American Express, Carte Blanche, and Diner's Club cards.

Travel & Entertainment Merchant

An airline, car rental company, hotel or other similar business establishment whose primary function is to provide travel-related services.

Unbundled Fees

Other fees paid by the merchant to the merchant bank, acquirer, or other contracted party for credit card transaction processing.

VISA

VISA International Service Association and all of its subsidiaries and affiliates.

VISA Card

A credit card that bears the VISA symbol, enabling a VISA cardholder to obtain goods, services, or cash from a VISA merchant or an acquirer.

VISA Issuer

A financial institution that is a member of VISA International Service Association and that issues VISA cards.

VISA Merchant

A merchant that displays the VISA symbol and accepts all VISA cards.

Voice Authorization

An approval response obtained through interactive communication between an issuer and an acquirer, their authorizing processors, or stand-in processing, through telephone, facsimile, or telex communications.

Most commonly, a voice authorization is obtained by a merchant from the authorization center via telephone.

Void

A transaction that nullifies a previous sale that has not yet been settled. This transaction can typically be completed only within the same batch. The original sale transaction is effectively removed from the batch of transactions to be settled.

Zero Floor Limit

A floor limit with a currency amount of zero, effectively meaning that authorization is required for all credit card transactions.