

Glossary

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| ACCEPT terminal | JCCC terminal installed by a trader who accepts Access credit cards to enable cardholders' and traders' accounts to be debited and credited automatically. |
| APACS | Association for Payment Clearing Services. Association of major banks and building societies, set up in 1985 to manage the development of payment clearing services in the United Kingdom and to oversee money transmission generally. |
| APR | Annual Percentage Rate of charge. The percentage rate of charge to cardholders calculated in accordance with the Consumer Credit (Total Charge for Credit) Regulations 1980 (SI 51/1980). |
| ATM | Automated Teller Machine. Computerised self-service cash dispenser operated by inserting a magnetic stripe card followed by the appropriate PIN . Services available apart from cash withdrawals may include deposits, balance enquiries, mini-statements etc. |
| Authorisation | A procedure whereby traders telephone credit card companies to seek authority to accept transactions over a specified floor limit . |
| Authorisation level | The limit above which traders must seek authorisation before accepting transactions. |
| Average transaction value (or Average ticket value) (ATV) | Average sales price realised by a particular trader , for goods and services sold to Access or Visa cardholders . |
| Bank giro credit | Signed form addressed to a bank branch (normally in conjunction with cash, cheques etc) instructing it to credit a specified sum of money to the account of a named customer through the bank giro system, a national remittance system of credit transfers. |
| Base rate | Interest rates published by banks as a basis for determining their individual lending rates. |
| Budget card | A credit card with a credit limit based on a multiple of the sum paid by the cardholder into his account each month. |
| CRSD | The Central Retail Services Division. The division of Barclays which includes its credit card operation. |
| Cardholder | An individual to whom a credit or other payment card has been issued. There can be more than one cardholder in relation to a particular credit card account, eg where the account holder authorises the issue of an additional card for use by a member of his or her family. |
| Card issuer | Any financial institution or retailer which provides payment cards to its customers. |
| Cash advance | Cash obtained by a cardholder through the presentation of a credit card or by postal request to a financial institution belonging to the same international payments system. |
| Charge card | Also known as 'travel and entertainment card'. Similar to a credit card , it enables the holder to make retail payments. |

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| | <p>Unlike a credit card, these are normally of unlimited value and the balance must be settled in full on receipt of a monthly statement. An annual fee is normally payable and sometimes an initial membership fee. The most common examples are American Express and Diners Club.</p> |
| Cheque guarantee card | <p>A card issued for the purpose of guaranteeing the payment of cheques to third parties or supporting the encashment of cheques at branches of financial institutions up to a certain value. Some credit cards may also function as cheque guarantee cards.</p> |
| Clearing | <p>Transmission of instructions and settlement of payments between accounts held at different financial institutions or different branches of the same institution.</p> |
| Clearing bank | <p>A settlement member of APACS.</p> |
| Connect card | <p>A Visa debit card issued by Barclays.</p> |
| Credit card | <p>A card which enables the cardholder to pay for goods and services on credit, and to obtain cash advances. On receipt of a monthly statement, the customer need settle only a minimum amount of the outstanding balance.</p> |
| Credit limit | <p>The maximum amount a cardholder may have outstanding on a payment card account at any one time. Some cards (eg American Express, Diners Club and Carte Blanche) do not have a pre-set limit.</p> |
| Debit card | <p>A card used to debit a bank account, which may be used in an ATM or at point of sale. It does not necessarily provide the cardholder with credit facilities.</p> |
| Direct debit | <p>Direct claim made by a creditor on his debtor's bank account.</p> |
| Domestic interchange agreements | <p>Agreements negotiated by a Visa merchant acquirer with each of the other United Kingdom Visa card issuers, to deal with the authorisation and interchange of Visa card transactions in the United Kingdom.</p> |
| Duality | <p>Membership of two international payments systems (Visa and MasterCard/Eurocard), a prerequisite for issuing cards or acquiring merchants for both systems.</p> |
| EFT | <p>Electronic Funds Transmission. The transfer of funds, other than by means of a paper instrument, which is initiated through an electronic terminal or computer or magnetic tape so as to instruct or authorise a financial institution to debit or credit an account.</p> |
| EftPos | <p>Electronic Funds Transfer at Point of Sale. A payments system allowing retail payments to be made by transferring funds electronically from the customer's account to the trader's account without the use of cash or cheques.</p> |
| EPOS | <p>Electronic Point of Sale. System enabling traders to record credit card transactions on magnetic tape. This system facilitates the transmission of data to merchant acquirers, but it is not directly linked to the computers of the credit card companies.</p> |
| Electronic funds transfer rebate | <p>A rebate of a MSC given to a trader who has installed an electronic funds transfer system.</p> |

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| Extended credit | The facility by which a cardholder can choose to pay only a proportion of the sum shown as outstanding on a credit card statement, subject to a minimum monthly repayment. |
| Floor limit | The maximum amount for which a trader may accept a credit card without telephoning the credit card company for authorisation . |
| Free credit period | The period between the date of a cardholder's transaction and the date from which interest is charged on the amount of that transaction. If the whole outstanding balance is repaid by the due date shown on the statement the free credit period may be as long as 55 days. |
| 'Free riders' | A colloquialism for cardholders who do not use their cards to obtain cash and who pay their monthly accounts (for purchases of goods and services only) in full by the due date, thus incurring no interest charges-referred to in the report as full payers. |
| Honour All Cards rule | Rule which requires traders to accept all payment cards issued through an international payments system. |
| Imprinter | Machine used by traders to imprint cardholder and trader details on a sales voucher . |
| Interchange | The process where members of a payments system exchange original copies or other records of documents arising out of Visa or Access transactions and on the basis of which members settle transactions. See domestic interchange agreements . |
| Interchange fee | The fee payable by a merchant-signing member to Visa or MasterCard/ Eurocard whenever he enters into interchange resulting from the use of a card outside the country where the card was issued. (Also domestic interchange fees and international interchange fees.) |
| Internal transaction | Transaction between United Kingdom members of Visa or MasterCard/ Eurocard. |
| International transaction | Transaction involving the use of a credit card abroad and the use in the United Kingdom of cards of associated card schemes issued abroad. |
| LIBOR | London Interbank Offered Rate. The rate of interest for a particular currency and term offered on the London Interbank Market at a particular day or time. |
| LIMEAN | The average of the London Interbank Offer and Bid rate. |
| MSC | Merchant Service Charge. The charge on a transaction made with a plastic payment card and paid by the trader to the merchant acquirer . |
| MasterCard/Eurocard | The two trade marks are usually combined, as shown, because most cards issued by United Kingdom MasterCard/Eurocard licensees bear both marks. |
| Merchant acquirer | The bank or other financial institution which has an agreement with individual traders to reimburse them for payment made by credit cards. |

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| Merchant acquisition | Function performed by a merchant acquirer . |
| Merchant agreement | Agreement negotiated by a merchant acquirer with a trader for the trader to accept credit cards in payment for goods or services. |
| No Discrimination rule | Rule which requires traders to offer goods and services to credit (and other) card customers on the same terms as to all other customers. |
| `On us' transaction | Transaction generated by a credit card for which the card issuer and the merchant acquirer are one and the same. |
| PDQ | Process Data Quickly terminal. Barclays' terminal installed at a Visa trader outlet to enable cardholders' and traders' Visa accounts to be debited and credited automatically. |
| PIN | Personal Identification Number. A confidential number encoded on to the magnetic stripe of a plastic card and used to identify the cardholder by a stripe-reading terminal such as an ATM . |
| Paper voucher | Original, copy or other record of a document arising out of a credit card transaction. |
| Payment card | Generic term for any plastic card (credit, debit, charge, store etc) which may be used on its own to pay for goods and services. |
| Sales voucher | Credit card document on which a trader enters details of sales to a cardholder , or on which a financial institution enters details of cash advances. The cardholder signs the document, and is given a copy, at the time of completing the transaction. |
| Store card | Payment card (with some functions similar to those of a credit or budget card) for use at the retail outlets of the card issuer or the trader on whose behalf it is issued. |
| Third party processor | A firm which provides services to a credit card issuer or merchant acquirer . (Some processors also supply services on their own account.) |
| Trader | A supplier of goods or services. (Traders who have agreements with merchant acquirers are sometimes referred to in the credit card business as merchants, retailers, outlets, establishments or affiliates. For simplicity, we have generally used the term `trader', referring to both acceptors and non-acceptors of credit cards in payment for goods or services, unless in a particular context it has seemed appropriate to use a different or more precise term, eg merchant acquirer .) |