

Jargon Busters

To help understand the Payments Industry own unique language, we thought of a good idea to produce a Glossary of Terms of the most commonly used terms, acronyms and abbreviations associated with payments transaction processing and e-Commerce applications. This glossary of terms will be especially beneficial for those in the early stages of development and implementation of Purchasing & Card Payment Solutions Programmes.

For further information please contact: info@purchasingcardnews.co.uk

Acquirer or acquiring bank

The bank where a merchant has an account to process transactions and credit payments

AVS Address Verifications Service

Fraud-prevention mechanic that verifies a customer address against a card

AVV/CID

The American Express equivalent of AVS & CVC2

BIN

The bank identification number with the card schemes

Card Validation Code 2 (CVC2).

Fraud-prevention mechanisms initiated by MasterCard and Visa to protect merchants. These codes are the three digits on the back of a MasterCard or Visa card that follow the cardholder's credit card number—they offer Mail Order and Internet merchants additional security by helping to identify a cardholder in a CNP transaction.

CCS Cardholder Currency Selection

The Servebase enablement functionality for Dynamic Currency Conversion (DCC) through various providers

Chargeback

Is a practice in which the bank that issues the credit card returns a customer's disputed transaction to the merchant—via the merchant's acquirer—for resolution.

CNP Cardholder Not Present

For example, Mail order or Internet transaction processing

Commodity Codes (CC)

VISA specified codes for categorising the actual commodity (eg: nuts and bolts). Approximately 300codes.

Cost Allocation Codes (CAC)

Applying internal cost coding to each Purchasing Card Cardholder (eg: cost centre number, department number or budget number).

CPC

American Express Corporate Purchase Card – effectively the Amex version of VISA & MasterCard Purchase Cards

Customer Reference Code (CRC)

VAT capable suppliers can input a CRC at the Point of Sale up to a maximum of 16 digits being alpha or numeric. An example would be a job costing number.

Daily Transaction File (DTF)

The transaction file that includes all of your Purchasing Card spend for the previous 48 hours.

DCC Dynamic Currency Conversion

A foreign exchange mechanism provided by banks and third parties that gives a cardholder an option to pay either in the merchant's local currency or their home currency at the point of sale

ECI Electronic Commerce Indicator

A mandatory requirement from card Schemes to distinguish transactions generated through the Internet

Government Procurement Card (GPC)

Same as a VPC but specifically aimed at Government Agencies and Bodies.

Level 1 Supplier

VISA Capable Suppliers (accept Purchasing Cards but are non-VAT enabled otherwise referred to as NVE supplier).

Level 2 Supplier

VAT Capable Suppliers (accept Purchasing Cards and provide the facility for a customer reference code and summarised VAT total).

Level 3 Supplier

VAT Capable Supplier with Line Item Detail (accept Purchasing Cards as VAT capable suppliers but in addition they will provide Line Item Detail descriptions for the goods / services provided with individual VAT amounts).

LID Line Item Detail

The auxiliary data attached to a purchase card transaction to qualify for VAT certification in place of an invoice (UK).

Line Item Detail (LID)

Suppliers with LID capabilities have software installed at their premises that will provide an individual line of detail for every commodity purchased.

Low Value Goods (LVG)

Typical commodities bought using a Purchasing Card would be LVG (eg: stationery).

Management Information (MI)

Reports and expenditure analysis for monitoring your purchasing card spend.

Merchant Category Codes (MCC)

VISA specified codes for categorising vendors (eg: stationery). Approximately 250 codes.

Merchant Category Groups (MCG)

VISA specified groups for categorising types of spend (eg: airlines, cash advance). Approximately 35 groups

MID

The Merchant Identification Number with the bank acquirer.

Point of Sale (POS)

Terminal at supplier through which the transaction is processed.

PSP

Payment Service Provider

SDOL

MasterCard Smart Data OnLine solution provides back office management information and works in conjunction with MasterCard 'onecard' combining purchasing card and travel transaction functionality on a single card.

SPA/UCAF

The Mastercard equivalent of VbV (Now also known as MasterCard SecureCode)

Value Added Tax (VAT)

Tax that is added to each commodity at the appropriate rate depending on the commodity purchased.

VbV "Verified by Visa"

A methodology introduced by the Card Scheme and Banks to provide an additional, secure cardholder verification process prior to an Internet transaction proceeding.

VGIS

Visa Global Invoice Specification.

Visa Purchasing Card (VPC)

Charge card commonly used for low value, high volumetransactions.