

# Payments in Your Pocket

POCKET  
GUIDE



# Definitions

## **3D Secure**

An XML-based protocol that is designed to add an extra layer of security for online credit and debit card transactions. It has been adopted by most credit card companies including Visa (VerifiedbyVisa), MasterCard (SecureCode), American Express (SafeKey) and JCB (J/Secure).

## **Acquirer**

An acquirer (also known as an acquiring bank) is a bank or financial institution that processes credit or debit card payments on behalf of a merchant and is licensed to settle funds to the merchant.

## **Alternative Payment Method**

These are payment methods that are used as an alternative to mainstream credit and debit cards. Some examples would include wire transfers, online banking methods (such as SOFORT and giropay), and e-wallets.

## **American Express**

American Express (also known as Amex) is a credit card used globally, most popularly the United States, where it accounts for approximately 24% of the total dollar volume of credit card transactions.

## **Authorization**

Verification of the validity of a shopper's card (credit or debit) and the available balance on the shopper's line of credit.

## **Address Verification Service (AVS)**

Method of validating a cardholder's address against the address held by the issuer, with the purpose to help reduce fraudulent transactions. The issuer will return a code specifying the accuracy of the address.

## **Bank Transfer**

A bank transfer is a general term used to represent a wide range of payments that are credit transfers: such as cash payments, giro-payments, and wire transfers. These transfers are always made through an associated bank.

## Capture

Merchant submission for payment from the Issuer on an authorized transaction after the goods/services have been rendered to the shopper.

## Card Not Present

Transaction in which a card (credit or debit) is physically not present at the time of the sale. The merchant does not see or swipe the card and no shopper signature is obtained. These transactions will typically be done online or via the telephone.

## Card Present

Transaction type in which a card (credit or debit) is physically present at the point of sale. The merchant will physically swipe the card and obtain signature from the shopper.

## Chargeback

A chargeback is the process initiated by a cardholder when they contact their issuing bank to dispute a transaction on their account. Once initiated, the funds are debited from the merchant and returned to the shopper. A chargeback can be

initiated for reasons such as fraud, goods damaged/not received, etc.

## Credit Card

Plastic payment card accepted as a payment method by merchants. Users are able to pay balances off over time, with interest added to the outstanding balance.

## Cross-border payments

Payments originating from a shopper in one country to a merchant located in a different country.

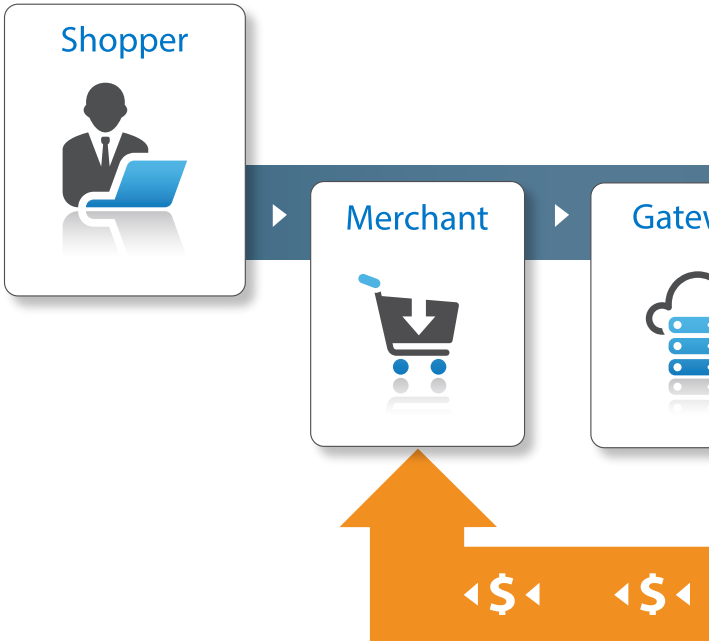
## Card Verification Value (CVV)

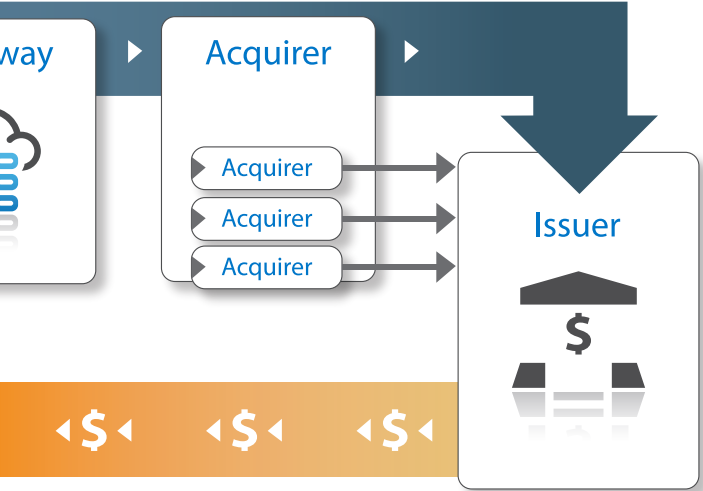
Numeric value found on the back of Visa, MasterCard and Discover cards (3 digits) or the front of American Express cards (4 digits). CVV acts as a security feature designed to mitigate fraud on card not present transactions.

## Debit Card

Plastic payment card linked to the cardholders' bank account. When a debit card is used as the method of payment, the funds are immediately taken from the shopper's bank account.

# Anatomy of a Gateway





# Definitions

## **E-Wallet**

An e-wallet is a secure environment that allows a person to store multiple payment cards and bank account numbers. This eliminates the need for customers to enter their account information multiple times when making a payment. Examples of e-wallets are: Apple Pay and Samsung Pay.

## **Gateway**

The service that automates the payment transaction between the shopper and an online merchant. The payment gateway is the connection that allows a merchant to accept credit card and other forms of electronic payment.

## **Intelligent Payment Routing**

Automatic transaction routing between multiple acquiring banks to assure maximum success rate — including failovers and subscription retries.

## **Issuer**

Financial institution that issues credit and debit cards to customers.

## **MasterCard**

Global financial services corporation – MasterCard is a major credit card and debit card /company that administers and regulates the use of MasterCard credit and debit cards between issuing banks and merchants.

## **Mobile Payments**

Mobile payments usually refer to payments done via the use of a mobile device. However, the payment methods used to pay, and the technology they use could be many: mobile wallets, single card NFC payments, alternative payment methods such as bank transfers.

## **Omnichannel**

Omnichannel is a multichannel approach to sales that seeks to provide the customer with a seamless shopping experience whether the customer is buying from a desktop, mobile device, telephone, etc.

## **Payment Card Industry Data Security Standard (PCI)**

Set of requirements designed to ensure that all companies that process, store and/or transmit credit and debit card information maintain a secure environment.

## **Prepaid Credit Card**

Secured credit card (usually branded with the logo from a major card scheme) carrying a pre-deposited amount. The card is then used as a credit card until the funds run out.

## **Presentment Currency**

The currency that the shoppers purchases goods/ services in from the merchant.

## **Payment Processor**

This is a company (often third-party) appointed by the merchant to submit payment transactions.

## **Refund**

A credit to a cardholder, usually due to remediate the return of a goods/service.

## **Settlement Currency**

The currency the merchant receives funding in.

## **Recurring Billing**

Allows a merchant to charge a customer's credit or debit card on a regular basis for recurring services such as membership fees and subscriptions.

## **Velocity Check**

This is a method used to detect fraud by looking a number of times at a particular data element (card number, name, address, etc.) within a predetermined time frame.

## **Visa**

Global Financial Services Corporation — Visa is a major credit card and debit card /company that administers and regulates the use of Visa credit and debit cards between the issuing banks and merchants.

## **Wire Transfer**

A wire transfer is an electronic payment service for transferring funds by wire, for example through SWIFT, the Federal Reserve Wire Network or the Clearing House Interbank Payments System.

# About BlueSnap

BlueSnap is a smarter payment gateway that looks at eCommerce a little differently. We are veteran developers, marketers, technologists and business professionals who are globally minded, customer focused, and constantly driven to innovate. With over 10 years of experience serving merchants around the globe, BlueSnap is fulfilling its promise to help merchants sell globally in a “snap”.

See [www.bluesnap.com](http://www.bluesnap.com) to learn more.

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[www.bluesnap.com](http://www.bluesnap.com)  
[sales@bluesnap.com](mailto:sales@bluesnap.com)