A TO Z JARGON BUSTER

Guide

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Terminology, jargon and a fair sprinkling of three-letter acronyms can make any subject seem even more complex. Our jargon buster is designed to help demystify payments.

A

Acquirer A financial institution that provides card and payment acceptance to merchant customers

AKA MSR (Mag Swipe Read) This refers to the magnetic stripe on the back of a payment card, which is swiped through a terminal to read the data encoded on it

ATM Automated Teller Machine. Unattended, customer operated machine - used to dispense cash/other services

ATV Average Transaction Value

Authentication The process by which the card issuer confirms there are sufficient funds in the cardholder's account to cover a transaction

Authorisation Authorisation is granted by a card issuer to ensure that there are sufficient funds in a cardholder's account to cover a transaction

Auxiliary Data Auxiliary data is additional information that supports a payment card transaction

AVS Address Verification Service, a fraud prevention mechanism that verifies a customer address for a payment card

B

Batch A group of transactions produced, processed or gathered together and treated as a single unit

BIN Bank Identification Number, the first six digits of the account number on a payment card, which identify a card scheme and issuer

C

Card Association A card association is a network of issuing banks and acquiring banks that process payment cards for a specific brand, such as VISA or Mastercard. The card associations VISA and MasterCard are each comprised of over 20,000 card issuing banks

CEO Fraud Also known as business e-mail compromise, this is when criminals spoof the e-mail address of the CEO or other senior executive and instruct the recipient to transfer funds to a bank account, usually controlled by the criminal. They may also ask for settlement of an outstanding invoice or update supplier bank account details

Chargeback When a previously-processed card sale is performed. The cardholder or their issuer may dispute the transaction if it is fraudulent, if services are not provided, or if merchandise is not received, is defective or not as described

Checkout Hosted Payment Pages which provide a flexible, secure and easy way to integrate payments in a merchants website or app via redirection

Chip and PIN a form of card holder validation using the chip on the card - (Integrated Circuit Card) and Personal Identification Number (PIN)

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Clearing The process of updating the accounts of the trading parties and arranging for the transfer of funds following a transaction

COTS Commercial off the Shelf device – referring to an off the shelf device, such as a phone, tablet etc.

CNP CNP transactions are processed when the Cardholder is not physically present at the Point of Sale. Typically, these are Mail order, Telephone order or e-com

CP Card Present (see POS)

CVV Card Verification Value, the 3-digit security code printed on the reverse of cards and often required in card-not-present transactions

D

Debit Card A convenient alternative to cash which draws funds from a current (US checking) account or the remaining balance on the card

DDoS Distributed Denial of Service attacks overwhelm target websites with fake traffic to knock them offline. Criminals hold companies to ransom by threatening them with DDoS attacks

Delayed Transaction With the cardholder's consent, merchants may make a delayed charge for goods, services or other charges that remain unpaid after check-out, disembarkation or return of a rental vehicle

Dispute Generated when cardholders have problems with goods/services purchased using credit cards. Disputes can become chargebacks

DCC Dynamic Currency Conversion is a foreign exchange service provided by acquirers and third parties that allows customers to choose to pay in either their home currency or the merchant's currency at the point of sale

E

E-Commerce Electronic Commerce enables the buying and selling of products or services over the internet

eftPOS Electronic Funds Transfer Point-Of-Sale. Complete process of electronic funds transfer to bank issuer from point-of-sale through merchant acquiring bank

Electronic Funds Transfer (EFT) EFT is the electronic exchange, transfer of money from one account to another, either within a single financial institution or across multiple institutions, through computer based systems

EMV Europay Mastercard Visa is the global standard for integrated chip cards and chip-reading terminals for more secure payment

Encryption A process in cryptography whereby a message is encoded so that only authorised parties can read it

eWallet is a digital way to store funds. Customers can load their eWallet in various ways e.g. via bank transfer, payment card or cash, and use the funds to shop online and sometimes offline and cross-border

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F

Firewall A firewall controls electronic traffic allowed into and out of an organisation's network, and into sensitive areas within its internal network

Floor Limit Monetary amount assigned by the card schemes above which a card transaction requires authorisation from the card issuer or acquirer

Fraud Screening A method of determining the potential riskiness of a transaction during the authorisation process to reduce fraud and chargebacks

Funds Guarantee When transaction, merchant acquirer guarantees funds, giving merchant certainty of settlement

G

Gift Card Prepaid card that allows the cardholder to use it for the purchase of goods or services

H

Home Shopping Shopping carried out from ones own home by ordering goods advertised in a catalogue or on a television channel, or by using various electronic media

I

Issuer A financial institution that issues cards to cardholders, who may be private individuals (consumers) or businesspeople

Interchange The fee paid between two financial institutions each time a payment card is used. Visa and MasterCard operate four-party models and so the fee for a typical purchase transaction is paid by the merchant's bank (the acquirer) to the cardholder's bank (the issuer)

J

JCB (Japan Credit Bureau) The JCB Card has a merchant network of 10.93 million spanning 189 countries

K

KEYED transactions Keying the card details into a PED / POS instead of swiping / inserting

L

Line Item Detail (LID) The auxiliary data attached to a purchase card transaction to qualify for VAT certification in place of an invoice

M

Mastercard SecureCode This is Mastercard's global authentication solution for more secure payments based on the three-domain secure (3D secure) protocol, which connects the three domains: issuer, acquirer and Mastercard during an online transaction

Merchant Industry term for an entity that trades goods or services and accepts cards for payment

Merchant Acquirer Also called acquiring bank - financial institution providing card acceptance service, holds merchant acquiring contract, maintains account

Merchant BIN Bank Identification Number - identifies merchant account for each scheme/each acquirer

Merchant Plug-in (MPI) Merchant plug-in (MPI) is a software module designed to facilitate 3D Secure verifications to help prevent credit card fraud

MID The Merchant ID Number is a unique code that identifies a merchant's business throughout the transaction process and ensures that the right funds are credited to the right merchant account

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MOTO MOTO is an abbreviation for Mail Order or Telephone Order in card not present transaction processing

MSC Merchant Service Charge is the charge levied by acquirers for providing card payment acceptance services. The charge is usually made up of interchange, card scheme fees, optional acquirer service fees and acquirer margin

Multi-Channel Processing The ability to sell goods or services through different sales channels including Customer Present, E-Commerce and Mail Order/Telephone Order

N

NFC Near Field Communication is a set of standards that allows devices to communicate by bringing them in close proximity to one another. NFC powers contactless payment

O

Omni-channel Coming from the Latin for 'all' or 'every', omni-channel refers to the modern-day blurring of online and offline channels for seamless retail operations and customer journeys

P

P2PE Point to Point Encryption securely encrypts data from one point (the PIN entry device — usually the PIN pad) to another (a secure data centre) to keep sensitive data secure

PAN Primary Account Number, the card account number which is usually 16 or 19 digits long

PA-DSS Payment Application Data Security Standard (PA-DSS) is the best practices standard maintained by the Payment Card Industry Security Standards Council (PCI SSC). It was created to assist software and other third-party vendors to develop secure payment applications that support PCI-DSS compliance

PCI-DSS The Payment Card Industry Data Security Standard applies to all entities that store, process and/or transmit cardholder data. It covers technical and operational system requirements to keep sensitive cardholder data (account number, expiration date and 3-digit security code) safe

PED PIN Entry Device is where the customer enters their PIN. These were previously always PIN pads but now they include various tablet devices. Security requirements apply to the organisations that design, manufacture, transport and deploy PEDs

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Phishing Phishing is the process of obtaining personal credentials (e.g. account numbers, PINs, passwords) by deception. This is usually via e-mails that contain malicious links or ask receipt to confirm details

PIN Personal Identification Numbers are used by cardholders to authenticate themselves when making purchases or withdrawing cash at ATMs

PIN on Glass – newer terminals that don't have raised buttons, but simply a glass panel displaying a keypad on the PED.

PKE A PAN Key Entry transaction is when the card number is entered (keyed) manually for a card-present transaction, not processed via the magnetic stripe or chip

POS Point of Sale, a general term usually meaning the place at which or terminal through which transactions are processed

Pre-Authorisation If the final transaction amount is not known, a pre-authorisation allows the merchant to estimate the final transaction amount and receive the protection of an authorisation. Usually used in the hospitality and car rental industries.

PSA Payment Service Admin, the back office admin tool provided by PXP Financial where merchants can view transactions, trigger some actions (e.g. perform cancellations, create refunds or MOTO payments) and download reports

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Processor Company that handles transaction processing for merchants, card issuers and cardholders - includes authorisation, clearing, merchant and chargeback processing

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PSD2 The Second Payments Services Directive, bringing in new laws aimed at improving consumer rights

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PSP Payment Service Provider, a general terms for entities that supply all or part of a payment service

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PXP Financial A unique type of payment service that delivers strategic advantage to merchants

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Q

QR Code Quick Response Code, a type of machine-readable matrix or two-dimensional barcode that is now also being used for payments

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QSA Qualified Security Assessors are approved by the PCI security standards council to validate compliance against the PCI Data Security Standard (PCI DSS)

Queue Busting Queue busting is a way to engage, interact and initiate elements of a transaction before arriving at the point-of-sale (POS) register

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R

Reversal A reversal negates or cancels out a previous authorisation request. This is commonly used within the hospitality sector for unused amounts on a pre-authorisation

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Risk Assessment Process followed by merchant acquirer to check likelihood of merchant bankruptcy or fraud typically before merchant contract signed

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Repor ting Secure web based reporting tools enable you to view all your transactions, refund them if necessary and even export the data to reconcile in any existing systems

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S

SCA Strong Customer Authentication, to reduce fraud and make online payments more secure

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Scheme Card schemes, such as Mastercard and Visa, manage the brand, systems and rules to allow participating financial institutions to issue scheme-branded cards and/or accept payments from those cards

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Settlement The actual exchange of funds, or some other value, between the trading parties following a transaction

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Showrooming When a shopper visits a store to check out a product but then purchases it online

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Skimming Stealing card data directly from the consumer's payment card or from the merchant location to commit fraud. Methods include using a hand-held card reader or modifying the merchant's payment terminal to capture and store sensitive card data

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SOC An audit report which provides assurance about the suitability of the design and effectiveness of the service organisation's controls to its clients, management, and user entities

SPoC Software PIN on COTS – Similar to PIN on glass but where the PIN is entered on a device, such as a phone, tablet etc

SWIFT The Society for Worldwide Interbank Financial Telecommunication (SWIFT) operates a worldwide financial messaging network exchanging messages between banks and other financial institutions. It's a cooperative society under Belgian law links over 8,000 financial institutions in 208 countries

T

TAN Transaction Authentication Numbers are single-use codes used to authenticate online banking or payment transactions

TID Terminal Identification Number is a unique code that identifies each merchant terminal through the
transaction process

Tokenisation The process of exchanging sensitive data for token values to keep sensitive data secure.

PXP can store real card data securely in its data centre and substitute it for 16 or 19-digit random number strings for use in merchant systems

Track Data This refers to the data encoded on the different tracks of a card's magnetic stripe

U

Unification Allowing merchants to manage any payment device across any application from a centralised point

V

VbV Verified by Visa, this is Visa's global authentication solution for more secure payments based on the
three-domain secure (3D secure) protocol, which connects the three domains: issuer, acquirer and Visa
during an online transaction

Webrooming The opposite to showrooming. It is when a shopper visits a website to check out a
product but then purchases it in-store

Website A website with shopping cart facility gives your visitors the ability to put the goods and services
you want to sell into their shopping basket, ready for payment

X

X25 is an ITU-T standard protocol suite for packet-switched wide area network (WAN) communication

Y

Yuletide Traditionally the busiest time of year for high street retailers

Z

Zip Zap Machine A manual credit card impression machine that creates multiple receipts by sliding a
handle to record the raised numbers on the front of a credit card onto carbon-paper copies

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