

Industry Terms Defined

General

Network: Visa, MasterCard, Interac are the main networks in Canada they established and maintain the networks through which credit and debit card transactions are processed

Acquirer: In Canada a bank that does the heavy lifting of processing credit card processing. The largest in Canada are Chase Paymentech, Dejardin, Elavon, First Data, Global Payments, Moneris, People's Trust and TD Merchant Services. There are others but if you are a business in Canada most likely you are processing through one of the above.

Processor: There is not official definition for processor. Acquirers, ISOs and MSPs often are referred to as Processors.

ISO: Independent Sales Organization are exactly what the name suggests and resell the services of the Acquirers. Best way to look at the ISO - Acquirer relationship is supplier and customer.

MSP: Merchant Service providers are best described as self-employed salespeople who sell Acquirers services. The difference to ISOs is independence, ISOs are independent can write their own contracts add their own fees etc.

Qualified Credit Card Transactions: For Visa it is classic, platinum and gold cards, for MasterCard they are classified as "Core" cards the attract the lowest Interchange fees and to be qualified must be a card present transaction, face to face.

Non-Qualified Credit Card Transactions: All other cards other than above including rewards, business, purchasing, commercial etc and cards that are not presented in person including online transactions, keyed/phone transactions and any transaction where the card is not swiped or emv (chip & pin). EMV stands for Eurocard, MasterCard and Visa and refers to cards with chip and pin.

Chargeback: When a customer challenges a transaction through one of the networks it may result in the transaction being rebated and business debited this is a Chargeback

IDP: Interac Debit Payment done through the Interac network. Currently all card present face to face debit transactions go through the Interac network. Online or phone transactions using Visa or MasterCard debit cards are processed through the MasterCard and Visa Networks attracting Interchange fees and other processing fees similar to credit cards.

Interac Flash: NFC (Near Field Communications) transactions done by tapping your debit card on the terminal (contactless). These transactions attract an additional fee of \$.035 from Interac, Processors may mark this up.

Debit Surcharge: A Fee charged by businesses for debit transactions usually if they are under a certain amount. Some Acquirers and ISOs keep a portion of this others pass on 100% to the businesses.

Fees

Interchange: Fee paid to the card issuing banks by the Processor/Acquirer calculated as a percentage of each transaction.

Non-Qualified Fee: A fee paid on transactions without the card being present or cards that are not in the “qualified” category (see above).

Assessment/Brand/Network Fee: This is the fee paid to the Networks including Visa, MasterCard, Interac, Discover, Union Pay calculated as a percentage of each transaction or in Interac’s case a per transaction fee. Currently the Visa fee is .077% of each transaction, MasterCard is .08% of each transaction and Interac is \$.006102 per transaction and plus \$.035 per Flash transaction.

Interac Switch Fee: ABM Acquirers and Issuing FIs that are members of Interac Association pay a wholesale, flat-rate switch fee for every *Interac* Cash transaction message that they send to the Interac network. It is an annual fee set on a cost recovery basis, and it is the only fee charged by Interac Association in connection with *Interac* Cash transactions.

PCI Admin Fee: a flat fee charged monthly by most Acquirers amount varies supposedly to supply PCI/DSS assistance to businesses. Charged by some without the assistance.

PCI Non-Com Fee: A fee charged if your business is not PCI compliant, charged by Acquirers that offer a PCI/DSS service. Varies from a set monthly fee to per transaction fee, percentage fee or all three.

Data Service Fee: Old fee still around was defined as a security fee replaced by a PCI fee by most Acquirers

Transaction Fee: Any fee charged per transaction, the most common is Interac per transaction fees.

Admin Fee: Monthly flat fee charged by most Acquirers at various rates

Statement Fee: Charged by some Acquirers for a paper statement or by some just for access to an online statement

Push Funds Fee: Old fee mostly disappeared charged when the merchant’s bank was different than the Acquirers bank. Acquirers have arrangements to avoid these fees.

Minimum Discount: A minimum on monthly fees can be for all credit card discounts for each network plus for debit varies by Acquirer, ISO and by merchant contract.

The above are common to most Acquirers however there are many more fees applied by some Acquirers and ISO’s. If we have missed something or you think we should make at correction [contact us](#).