Duck Creek
Technologies

Duck Creek
Lexicon of Payment Terms 2024

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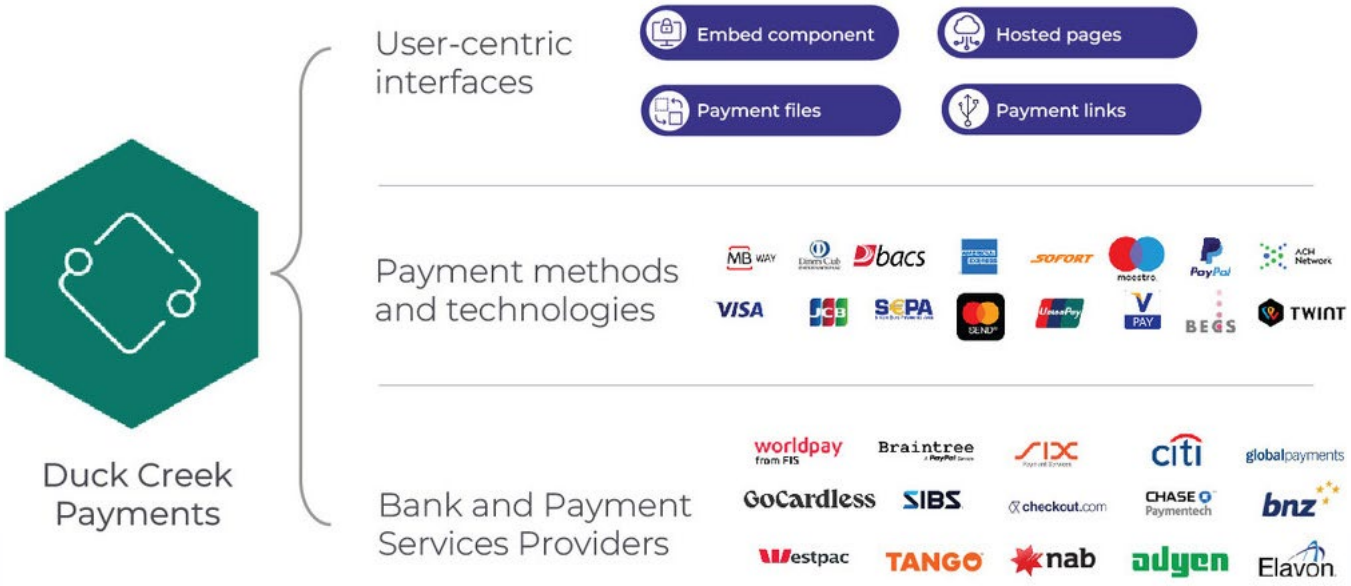
Duck Creek Payments

In a world where consumers' payment preferences and technologies are ever-evolving, Duck Creek works with insurers to future-proof their payment requirements.

Duck Creek has developed a cloud-based payments platform connecting insurers to the payments ecosystem, regardless of their existing IT infrastructure. Through a single connection to Duck Creek, insurers can collect or pay out using any payment technologies and provider in their market of choice.



Improve speed to market, ensure compliance, maximise payment options, enhance customer experience, reduce cost and access unified reporting. To learn more about Duck Creek Payments, visit **duckcreek.com**

A

Account Information Service Provider (AISP)
A service that allows bank account owners and authorized vendors to see all activity at the account level for uses such as validating the availability of funds, spending habits and budgeting. .

Account Top Up/Top up
Process of adding money to your account so you have enough funds to cover any upcoming payments.

Account Updater
A tool commonly offered by PSPs that allows the status of card details to be checked and updated if required, without input from the cardholder.

Account Verification
When performed, this process allows merchants to check the validity of the card number without holding funds on the card. Only Visa and MasterCard Cards support this feature.

Accounts Payable (AP)
The sum of money that a business owes to its creditors, suppliers, brokers or claimants for services not yet paid for, recorded on the balance sheet under current liabilities.

Accounts Receivable (AR)
The sum of money that a business ought to receive for goods or services it delivered but hasn't yet been paid for. AR can come in the form of invoices and are recorded on the balance sheet under assets.

Account-to-account Payments
Account-to-account (A2A) payments are payments sent directly from the payer's account to the payee's through instant payment networks. This type of payment doesn't require intermediaries or payment instruments such as bank cards, and it can be made through bank accounts and digital wallets.

Acquirer (Acquiring Bank)
A financial institution that is connected directly to the card networks such as Mastercard and Visa and thus has the ability to collect funds from payers cards on behalf of vendors that result from the sale of goods and services.

ADDACS
Automated Direct Debit Amendment and Cancellation Service, a Bacs service that allows Payment Service Providers (PSP) to notify service users of any changes to a customer's Direct Debit Instruction (DDI), for example, when a DDI is canceled or when an account has been transferred to a new PSP.

Alternative Payment Methods (APMs)
Any payment method that isn't cash or a credit card issued by a bank. Some examples of APMs are mobile payments, bank transfers, eWallets or cryptocurrency.

Anti-Money Laundering (AML)
All legislation set in place to protect customers and banks or other financial firms and prevent money laundering crimes.

Application Programming Interface (API)
A software intermediary that allows two applications to connect with each other and access data. For example, some websites allow you to log in using your Facebook or Twitter account because they have APIs in place to authenticate the user with each login.

A

Arrears (payment in arrear)
When the payment is made only after the services have been provided. Rather than paying for a service upfront, you can choose to pay on a delayed basis. Depending on the terms you have agreed on with your supplier, you may pay after delivery or pay within a set time period after you receive the invoice.

ARUCS
Automated Return of Unapplied Credits Service, a Bacs service that allows banks to return failed Direct Credit operations, be it because of incorrect information, or due to other reasons that make it impossible to credit the destination account, for example, the beneficiary being deceased or the account transferred.

AUDDIS
Automated Direct Debit Instruction Service, a Bacs service that enables entities to set up Direct Debit Instructions (DDI) with their customer's banks electronically.

Authentication
Process of verifying the cardholder's identity to ensure that it is legitimate and prevent identity theft. Authentication can be done through various factors, including knowledge (something that the customer knows, such as a PIN), possession (such as a text confirmation via mobile phone) and user location. After this process, if all details match, the transaction is authorized.

Authorization Rate
Percentage that shows how many of your total transactions were successful. For example, if you have an authorization rate of 80%, it means 8 out of 10 transactions you made were successful, and 2 out of 10 weren't.

Authorization
Process that approves or declines a transaction before it is completed. When a customer presents his/her credit or debit card, the transaction information is sent to the Issuing Bank so the bank can verify its validity and authorize the transaction. The payment network can also authorize a transaction on behalf of the Issuing Bank, and this service is called stand-in processing.

Automated Clearing House (ACH)
Electronic payments system that can used by consumers, businesses or local, state or federal governments to make digital banking transactions in the United States. It substitutes paper checks, wire transfers, credit card networks and cash.

Auto-Reconciliation
Automated accounting process that compares the information held in your accounting records and your bank account information to make sure that they match and, amongst other advantages, to help track transactions and spot errors. Auto-reconciliation is quicker, less expensive and potentially more accurate than manual reconciliation, as it avoids human error.

AWACS
Advice of Wrong Account for Automated Credits Service, a Bacs service that allows Payment Service Providers (PSP) to notify service users of any changes to a Bacs Direct Credit payment, either because the wrong account was given and, despite this, the PSP was able to identify the correct beneficiary, or the account was transferred to a new PSP.

B

Bacs
Electronic system that allows direct debit or credit payments from one bank account to another. Bacs payments are one of the cheapest and most common bank-to-bank transfers in the UK, although they take three working days to clear.

Becs
The Bulk Electronic Clearing System is an Australian payment system that allows bank-to-bank direct debit from a customer's account to a merchant's account.

BIN Routing
The routing of card transactions to specific acquiring banks on the basis of the card's Bank Identification Number (BIN). For example, one could route a US, J.P. Morgan Chase & Co. issued credit card to the acquiring bank J.P. Morgan Chase & Co. to increase the likelihood of that payment transaction getting accepted (authorization rate) at a lower processing fee (by routing US issued cards to US domiciled acquiring banks).

BIN
The Bank Identification Number refers to the first 4 to 6 digits of a payment card. These numbers identify the type of card, the card's issuer and its geographic location.

Buy Now Pay Later (BNPL)
BNPL is a type of financing that enables customers to pay for their purchases at a later date or to split the bill into various installments, paid throughout a certain period. BNPL options are often interest- free, though you will pay interest if you miss a payment.

C

Capture
Action that follows a pre-authorization in a two times payment. The amount pre-authorized is charged.

Card Network/Card Scheme
A card network or card scheme is a system that links merchants to card issuers and facilitates the transaction. The card network creates a virtual infrastructure through which issuing and acquiring banks can communicate. The most popular card networks include Visa and Mastercard.

Card Not Present (CNP)
When the card is physically not present during a transaction. Online purchases, Mail Order/Telephone Order (MoTo), and Recurring Payments are some examples of CNP transactions.

Card on File (CoF)
Collection and storage of payment card credentials to process future transactions. These credentials can include account numbers or payment tokens and can be used by merchants, agents, and payment facilitators of a digital wallet.

Card Present (CP)
A 'Card Present' transaction is when the credit card is physically present and used during the transaction. A transaction can be considered CP if electronic data is captured at the time of sale, whether that is through swiping a card, tapping a contactless card or entering a card's PIN number.

Card Security Code (CVC, CVV, etc.)
Identification numbers printed on the card help to verify its legitimacy.

CHAPS
Short for Clearing House Automated Payment System, CHAPS is a UK-based bank-to-bank payment system that runs through the SWIFT network. CHAPS payments are processed on the same day and usually include one-off, high-value transfers.

Chargeback
When funds (Direct Debit, credit card or debit card) are returned to the buyer via submitting a dispute to their card issues. Chargebacks differ from refunds as with chargebacks; the customer claims their money bank directly to the bank/card issuer.

Checkout component
Payment journey complete frontend that can be embedded into someone else's website or checkout so they can start taking payments. It can also often be customized to fit the company's branding.

Checkout/web checkout
The place where you initiate a payment, whether that be in a physical store or online, through checkout web page.

CID
Card ID or card identification number or card identification code composed by four digits printed on the card. Used by Discover and American Express.

CIT -Cardholder Initiated Transaction
A transaction made directly by the cardholder. This can be any payment made in-store or online, as long as the cardholder actively participates in the process.

C

Clearing
Process that encompasses all activities of a payment transfer, from the time an intention of payment is made to the actual movement of money.

Cloud-computing
Computing services hosted on the internet that are used to store and manage data. They include servers, databases, software and analytics, amongst others, and offer more opportunities to innovate and scale services.

Contactless payment
Wireless transaction done by tapping or waving your credit/debit card or smartphone with a digital wallet close to a Point-of-Sale reader. This is made possible through Radio Frequency Identification (RFID) technology.

Continuous Payment Authority (CPA)
Type of recurring payment that a company sets up on the customer's account with their permission. CPAs are different from Direct Debits, because the company can take payments when they like (not scheduled) and change the payment amount.

Credit (Card)
A card that holds a line of credit provided by the Issuing bank (cardholder's bank). This line of credit is a set sum of money that the cardholder is allowed to borrow each month (also called credit limit).

The cardholder can use this credit to purchase anything, though the credit used will have to be paid in full to the bank, usually once a month. Failure or delay in paying the credit card bill results in accruing interest or penalties, so the cardholder can end up paying more than what they borrowed.

Credit Transfer
The process of transferring credit (a sum of money) from one bank account to another.

Creditor Identifier
Unique identification number held by companies or organizations that take SEPA Direct Debits. A Creditor Identifier must be shown in each SEPA Direct Debit payment, and it enables the payer to verify the legitimacy of the payment, request refunds or make complaints.

CVC
Card Verification Code composed of 3 digits. Used by MasterCard.

CVN
Card Verification Number. Also known as Security Code, CVV2 and CVC2.

CVV
Card Verification Value composed of 3 digits. Used by VISA.

CVV2
Card Verification Value 2. This code is often used by merchants for Card-Not-Present transactions, including online purchases. In some countries in Western Europe, card issuers require a merchant to obtain the code when the cardholder is not present in person.

D

Debit (Card)
Card that enables cardholders to deposit money, make purchases or transfer funds. In order to make payments with a debit card, cardholders must ensure they have deposited enough funds in their account. This is because, with debit cards, cardholders pay with their own money and don't borrow from their bank (as happens with credit cards).

Deferred Payment Agreement
An agreement signed by the payer and payee in which payments are partially or fully postponed for a certain period. Individuals won't pay interest on the deferred payment for the time agreed upon. However, this loan starts accruing interest if payments are delayed. An example of deferred payment is BNPL.

Deferred Payment
Payments that are partially or fully postponed for a later date. The client receives the goods or services before they pay for them.

Direct Credit
Recurring payments to the cardholder's account. As opposed to Direct Debits, you won't be debited but credited instead. This means you will receive a sum of money on a recurring basis, as agreed with the third party who set up these payments. For example, the company you work for may set up a Direct Credit to pay your salary every month and pay you dividends, pension or bonuses.

Direct Debit
When a company takes a set amount of money from its customer's account on a recurring basis. The customer must allow the company to do so beforehand and agree to the terms. In this case, customers don't have to actively pay a company for their services, and the money is automatically deducted from their account on a specific day of each month. Direct Debits are used to pay household bills or subscriptions.

ispute
When a cardholder questions a payment with their card issuer in order to receive the money back (process a chargeback).

Dropout
When a customer abandons a payment journey for some reason and doesn't complete the purchase.

E

ECheque
Legal online document requesting a money transaction from one bank account to another provided by online payment companies such as PayPal. Like a regular cheque, eCheques can take up to 10 days to clear.

ECI (Electronic Commerce Indicator)
A value set by card networks such as Visa, MasterCard or American Express that represents the results of the authentication process for transactions on 3DS Protocol. The 3DS Protocol is a security protocol used to verify cardholders and prevent fraudulent payments.

ECI
The Electronic Commerce Indicator is used by Acquirers/Issuers to determine the type of transaction being processed. The ECI value represents the source of the transaction request.

EFT payments
EFT stands for Electronic Fund Transfer and represents the electronic movement of funds from one bank account to another. This transfer can happen within the same financial institution or across different institutions.

Electronic Invoice
Invoice issued, transmitted, signed, and stored on the web using various online channels and document formats.

EMVCo
Technical body created in 1999 and composed of six of the largest payment networks worldwide. This organization aims to facilitate the security and interoperability of payment technology worldwide by providing and promoting standard specifications that are applicable industry-wide.

EWallet
An electronic wallet that is linked to the person's bank account and is used to make payments online. It stores payment information and password.

Express Checkout
Faster payment checkout that moves you automatically to the final stage of the payment process when you click the 'checkout' button. It uses your personal and bank account details from previous payments, so you don't have to fill in this information.

In the case of Visa, Amex and JCB, the values can be:

- **ECI 05:** for successful 3DS authentications, meaning that the transaction is secured by 3DS.
- **ECI 06:** for attempted authentications that couldn't be completed. This can be due to the card or Issuing Bank not being a participant in 3DS.
- **ECI 07:** the authentication failed or couldn't be attempted, due to technical errors or both the card and Issuing bank not being secured by 3DS.

In the case of MasterCard, the values are the following

- **ECI 02:** for successful 3DS authentications, meaning that the transaction is secured by 3DS.
- **ECI 01:** for attempted authentications that couldn't be completed. This can be due to the card or Issuing Bank not being a participant in 3DS.
- **ECI 00:** the authentication has failed or couldn't be attempted, due to technical errors or both the card and Issuing bank not being secured by 3DS.

F

Faster Payments UK
Banking initiative for UK bank account owners that allows them to make faster money transactions between different banks. It takes only a few seconds, compared to the three working days period that a Bacs payment takes.

Financial Instrument
A payment card, a PayPal account, a bank account, etc. that can be used to collect or payout funds.

G

Gift Cards, Prepaid Cards, Vouchers
Prepaid stored-value money card issued by a bank or retailer that can be used as an alternative to cash or debit/credit card to make purchases at a certain retailer. Gift Cards contain a designated, unchangeable monetary sum, whereas Prepaid Cards can be topped up and used indefinitely. Vouchers can contain a sum of money, a discount or a service offer.

GUI
Graphic User Interface is an interface made available to users over a device browser or app that allows interaction with the underlying code.

H

Hosted Fields
Hosted Fields are iFrames for capturing sensitive payment details separately embedded within the checkout's payment page. Hosted Fields, when hosted by a PCI DSS-compliant payment partner into the merchant's checkout page, keep the merchant's PCI requirements at their minimum (SAQ A level) while still being able to offer the payment vendor's payment page features via CSS. They are more flexible than iFrames, as they allow the fields to be placed and customized individually for better control over the user experience.

Hosted Payment Page (HPP)
Third-party webpage located outside the merchant's website (external) that enables customers to insert their payment information and complete the payment checkout process.

I

IBAN
IBAN stands for International Bank Account Number. It is a unique number used to help overseas banks identify a bank account when making international payments. If you want to send money overseas, you will need to add the payee's IBAN before initiating the payment. Your IBAN can be found on your online bank portal, through the bank's mobile app or on your bank statements.

iFrame
Frame within a frame used to embed another page within an HTML page. It allows you to display a secondary webpage on your main page that can contain any type of content, such as documents and videos, or host data fields to capture sensitive data (e.g., the capturing of credit card details within the payment checkout.) In the context of payments, these are used to outsource the collection of payment details to a Payment Service Provider that is already compliant with PCI regulations.

Indemnity Claim
A claim made by the paying bank with respect to an incorrect Direct Debit being applied to an account.

Independent Sales Organization (ISO)
Company that sells credit card processing services independently from a bank or financial enterprise, so they can sign businesses up to accept credit card payments.

Indirect Access (BACS)
An indirect submitter uses a payment service provider or commercial bureau to submit payment files to Bacs. The file itself can be created by the payment service provider/ bureau or by the submitters themselves.

Instruction or Financial Instruction
This is the "what," "how," and "when" of every financial transaction. These details are necessary to perform any payment action. They can include the name of the payment method, the cardholder's name, the account number, and the billing address.

Intention to Collect / Payout
When the cardholder initiates a payment or requests a payout, showing intention to proceed with the transaction.

Interchange Fee
A fee charged to the merchant's bank account every time a customer uses a credit or debit card to purchase at their shop. This fee covers all costs involved in payment processing, including handling the payment and managing risk and fraud. The interchange fee comprises all the fees that the Issuing Bank, Payment Processor, Payment Network, Payment Gateway and Acquiring Bank charge per transaction. The interchange rate can vary depending on many factors, such as changing interest rates and the risk involved.

Invoice
A document that the seller provides the buyer, describing the service/ product delivered and the seller's payment details. It also often includes a payment date by which the payment should be received.

ISO27001
An international standard for information security management. It is composed of policies and guidelines that help companies in any industry better protect their information assets.

Issuer (Issuing Bank)
The banks that issue credit or debit cards to consumers. Every time you make a purchase, the money will move from your Issuing Bank to the merchant's bank (Acquirer), so an Issuing Bank is responsible for the first step of processing a payment.

JWT (JSON Web Token)
Internet standard that enables parties to transmit information securely as a JSON object. This information is digitally signed and encrypted and can be sent inside an HTTP header, through a URL or through a POST parameter.

Know your customer (KYC)
Mandatory guidelines used within financial services to verify a customer's identity in order to monitor risks and avoid fraud. The KYC process can include ID card verification, face verification, document verification and biometric verification.

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M

Mail Order/Telephone Order (MoTo)
A card-not-present transaction where the shopper provides their details to the merchant (the company they are purchasing from) via mail or telephone, giving them permission to then process the payment.

Mandate Management
A tool that monitors the Mandate between a business (the creditor) and a customer (the debtor), helping with the transaction of Recurring Payments.

Marketplace
A platform that allows sellers to sell a product or service to many buyers. For example, the Apple App Store enables web developers and businesses to sell their apps to any Apple user.

Merchant Acquirer`
Also known as an acquiring bank, a Merchant Acquirer is a financial institution that processes credit or debit transactions on behalf of a merchant.

Merchant Agreement
Contract between a merchant and the merchant's Acquiring Bank. This contract includes the types of online payment services that the Acquiring Bank agrees to provide the merchant with.

Merchant of Record (MOR)
Payment Providers
Entity that is authorized to process credit or debit card purchases on behalf of a business. They take full liability for the payment processing, including compliance with regulations.

Merchant Service Provider (MSP)
The entity that provides payment processing for credit and debit cards by connecting the merchants (retailers) to the banks or financial firms.

Merchant
Any person/business that sells or trades goods or services.

MIT (Merchant Initiated Transaction)
Payments that the merchant initiates following an agreement between the merchant and the customer. MIT is used to collect payments from customers when a business operates in the form of a subscription model.

Mobile Point of Sale (mPOS)
Electronic wireless devices that work as cash registers or traditional point-of-sale terminals (those connected to a plug). It allows merchants to receive payments on the go, as it works wirelessly.

M-PESA
A money transfer service based on mobile phones created by Vodafone and Safaricom and available in Kenya, Tanzania, Mozambique, the Democratic Republic of Congo, Lesotho, Ghana, Egypt, Afghanistan and South Africa. The service allows users to deposit, withdraw, transfer and pay for goods/services using an account that's tied to their phone number (SIM card). It is popular in regions that may lack banking infrastructure.

MT940
File format developed by SWIFT (Society for Worldwide Interbank Financial Telecommunications). It contains a series of tags and sections that provide information about all entries booked to an account, which can then be sent to account owners (banks or corporations).

MTA (Mid-Term Adjustment)
Any change/adjustment you make to an insurance policy when the policy is already active. This can be as simple as a change of address.

Multi-tenancy Architecture
Multi-tenant architecture enables multiple partners to access the same computing resources. This means that various tenants can share a single server and applications. The term "tenant" is broadly used to categorize clients, business areas, teams, or business partners.

N

NACHA (National Automated Clearing House Association)
A not-for-profit organization that manages the administration, development, and governance of the ACH network. The ACH network, divided into the two US national operators, The Clearing House and FedACH, is the American system for transferring funds between banks.

Network Level Token/Network Tokenization
Process of replacing sensitive data with symbols/random numbers (known as tokens) across the whole payment ecosystem. This means that the Sensitive Authentication Data (SAD) of your bank account will be replaced by tokens throughout the end-to-end interoperability and across all players. It is considered safer than PCI Tokenization, as your actual PAN (Primary Account Number) is not exposed to any party during the transaction lifecycle. It also improves authorization rates and, therefore, the overall checkout experience for customers, as they are less likely to face any issues with the transaction. Network tokens are also domain-specific; therefore, once issued, they can only be used to process payments with a particular merchant.

NFC technology (Near-Field Communication)
One of the technologies used to make contactless payments. It uses radio waves to transfer data wirelessly between devices, so, unlike Bluetooth, NFC doesn't require device discovery or manual syncing to transfer data.

O

One-Click Payment
Type of Card-on-File transaction where the cardholder can simply click on one button to initiate the payment, as his/her details are already saved on file as tokens.

One-time transaction
Regular payment. Once the client gives the order to accept, the debit of the purchase amount occurs without a pre-authorization

Online Banking e-Payment (OBeP)
Type of payments network created to address unique requirements of online payments. The funds are validated, and the consumer's identity is authenticated in real-time. The consumer makes the payment directly to the merchant (credit transfer).

Open Banking
A term used when third-party providers can have access to customers' bank account information from other financial firms. It facilitates partnerships between financial enterprises so they can provide customers with more varied services.

P

Payment Facilitator
Also called PayFac, a payment facilitator allows merchants to accept payments using PayFac's infrastructure rather than their own. Small businesses might prefer to use a payment facilitator rather than apply for a merchant account themselves to save time and resources. PayFacs allows businesses to streamline and simplify their merchant onboarding process so they can start taking payments faster.

Payment Gateway
Technology that collects the payment data from the Issuing Bank and sends it to the Acquiring Bank for payment processing.

Payment Initiation Service Provider (PISP)
A PISP allows you to pay companies or other individuals directly through your bank account without using a debit or credit card. They can execute the payment transaction and withdraw money from your account (with your consent).

Payment Link
A payment link or Pay-By-Link is a payment request that companies send to their customers so they can pay for their orders. This payment link can be sent via any digital method, such as email, text, app, internet browsers, or social media. Once customers receive the link, they have to click on it, and they will be directed to a checkout page to finalize their payment.

Payment Method
The number of ways sellers can collect money from buyers. It includes debit cards, credit cards, PayPal, direct debit, and cash, amongst many others.

Payment Middleware
A type of software that enables the communication between two or more applications. Essentially, it is the "glue" that facilitates the connection of different payment software systems, applications, tools, or databases.

Payment Network / Scheme
The intermediary that connects the Issuing Bank to the Acquiring Bank. A Payment network is necessary for all payment transactions, aside from cash payments. Some examples are Mastercard, Visa and American Express.

Payment Network
Relates to a particular payment method's communication and processing network, e.g., VISA. Exempla: VISA is a network; VISA Credit Card is the Financial Instrument type, and the VISA Credit Card details: | 4180 1234 1234 1234 | 02/23 | 456 | is the Financial Instrument

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Payment Orchestration Platform
A platform that offers E-commerce companies a range of tools and functionalities for more streamlined payment processing. Payment stacks are increasingly complex and require a range of software systems and layers to work. A Payment Orchestration Platform compiles key functionalities, such as dynamic transaction routing and risk management, into a one-layered platform, making it easier for merchants to process payments and adapt to further technology advancements in the industry.

Payment Service Provider (PSP)
Third-party providers that are responsible for authorizing a payment and ensuring that the funds are transmitted to the merchant's account. PSPs work as mediators between the issuing bank, card network, and acquiring bank. Every business that takes debit or credit card payments needs to partner with a Payment Service Provider.

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P

Payment Token / PCI Tokenization
Process of replacing sensitive data with tokens. However, unlike Network Tokenizatiwon, PCI Tokenization only replaces a PAN (Primary Account Number) at one specific stage of the transaction lifecycle, so only the merchant and Tokenization provider have access to the tokens. Detokenization typically happens at the merchant, service provider, or gateway level, and the transaction is then completed with the actual PAN.

Payment-as-a-Service (PaaS)
Cloud-based service offered by a third-party financial company that provides access to international payment systems and a range of payment tools.

PCI DSS
Payment Card Industry Data Security Standard is a set of security regulations used to ensure that all companies that deal with credit payments (processing, storing or transmitting credit card information) comply with security standards in order to prevent fraud. It is administered by the PCI Security Standards Council (PCI SSC).

Point-to-point Encryption (P2PE)
A software tool that encrypts your customers' data from the beginning of the payment process (also called point of capture, when your customer inserts their details into a card reader) until the payment is processed.

Pre-Authorization
Pre-authorizes a payment (by blocking a certain agreed amount on the client's account). Requires a capture after the pre-authorized amount.

PSD2
Payment Services Directive 2 is a set of regulations for online payment services in the EU and EEA. The PSD2 regulates security standards through mandatory Strong Customer Authentication (SCA) and boosts third-party industry partnerships by requiring big banks to share their customers' bank account information with third-party providers (providing that the customer authorizes).

Push-to-Card
A payment solution that allows a cardholder to actively send ('push') money to another cardholder. It is mostly used for disbursements or P2P payments through card networks (for instance, Visa and Mastercard) to send funds to cardholders instantly, only using their credit or debit card number. Push-to-card transactions are essentially sent through the card networks in reverse, from the sender (in case of disbursements to the merchant) through their acquiring bank or payment service provider to the customer's issuing bank, in real-time. As a result, customers have instant access to the funds in their accounts. Both Visa and Mastercard offer push-to-card services (Mastercard Send and Visa Direct programs).

R

Recurring Payments
When a customer gives a retailer permission to automatically deduct money from their account on a recurring basis (usually every month).

Refund
Repayment of a sum of money, usually when the client is not satisfied with a purchase.

Reimbursement
A refund made to a different financial instrument than the one making the original payment.

Reversal
Payment reversal is when the funds that a cardholder used in a transaction are returned to the cardholder's bank account, so the payment is effectively reversed. This action can be initiated by the cardholder, the merchant, the card network or the Issuing or Acquiring bank.

S

Scheme Fee
Fees paid by the Acquirer to the Card Network/Scheme (such as Visa and Mastercard) to cover maintenance costs.

SEPA
The Single Euro Payments Era is an EU scheme that facilitates bank transfers within the Eurozone. Its aim is to simplify cross-border payments, making them as easy as payments within one country.

Settlement
The process of transferring funds from an Issuing Bank to an Acquiring Bank is when the customer initiates and completes the payment.

Smart Routing
When a customer initiates the payment, Smart Routing directs the transaction to the most suitable Acquiring Bank, which has the best chance of approval. It differs from a traditional Payment Routing, as the traditional one only allows you to connect to one designated Acquiring Bank.

Software-as-a-Service (SaaS)
Method of providing software to companies. SaaS is a cloud-based software service offered by SaaS companies that other companies can buy and have access to.

Split Shipment/Payment
When cardholders use more than one payment method to pay for the whole bill. This may happen, for example, if a group of people splits the cost of a restaurant bill and each person uses their own debit or credit card to pay their part.

Standing Order
An automated method of making payments on a recurring, fixed basis. When you set up a standing order, the payments are automatically taken from your account on the agreed day and at the agreed frequency.

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Strong Customer Authentication (SCA)
Customer authentication method used to verify the customer's identity. SCA is based on two or more authentication factors, based on knowledge (something the customer knows), possession (something the customer possesses) or inherence (something the user is).

SWIFT
The Society for Worldwide Interbank Financial Telecommunications system is a large, global network of banks and other financial firms. It is used to make transactions between two banks and, most commonly, to make international money transfers.

Switch
Payments software that provides connectivity to payment service providers and acquiring banks via integrated end-points (mostly via API connections) without taking any fiduciary ownership of the processed payment transactions. Switches can dynamically route qualified payment transactions to any of its connected payment endpoints.

T

Card Token
Randomly generated set of numbers that can be used instead of your actual credit card number when making a payment to reduce exposure of the original card details.

Token Vault
Secure and centralized server that stores payment details and the mappings to their respective tokens, enabling secure payment processing without exposing an individual's original card details. The token vault can also be segmented within the cardholder data environment (CDE) for extra security to allow us to control who can access this space.checkout experience for customers, as they are less likely to face any issues with the transaction. Network tokens are also domain-specific; therefore, once issued, they can only be used to process payments with a particular merchant.

Tokenization
The process of replacing sensitive authentication data with a placeholder called a token. This placeholder consists of a randomly generated string of alphanumeric code. Tokens reduce the exposure of sensitive information throughout the transaction lifecycle while also holding no relation to the original cardholder data with which they represent.

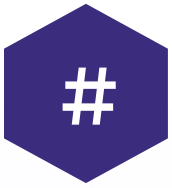
U

Unified reporting
Automatic compilation of all payment data coming from all the companies' various providers. This includes all types of payments, such as Direct Debits, bank transfers, card transactions, and e-invoices.

Vendor Management
A term used to describe the process used by organizations to manage their suppliers, monitor costs and mitigate risks.

Virtual Card
Unique credit card numbers that allow you to make an online payment from your main credit card without sharing its details.

Webhooks
Also known as Web Call-backs or an HTTP push API, Webhooks are a way for an application to provide other applications with near real-time information. Imburse uses Webhooks to provide near real-time notifications to systems, such as when a payment is settled.



3DS 2.0
Latest update of the 3D secure authentication protocol for online payments. It allows Issuing Banks to verify the credit card owners during payment processing to avoid fraud.

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