



## Small Business Specialists

# Payment Card Industry Terminology...

These are some of the more common terms that you will come across when dealing with the payment card industry...

<b>3-D Secure</b>	Can be thought of as an online version of <u>Chip &amp; Pin</u> . <b>Verified by Visa</b> and <b>MasterCard SecureCode</b> are the two versions currently in use. These systems invite cardholders to register when using a Visa or MasterCard to make a purchase on a website whose payment system supports 3-D Secure. Cardholders specify a user id and password. Once registered, if a card is used on a merchant site that support 3-D Secure, an extra window pops up requesting the card holder to enter four randomly selected characters from their password.
<b>Acquirer or Acquiring Bank</b>	The providers of a merchant's Internet Merchant Account, e.g. Barclays Merchant Services, HBoS, Streamline, etc. The Acquirer settles the payments with the merchant.
<b>Authentication</b>	The process of validating the details entered by the card holder when using a <u>Chip &amp; Pin</u> terminal or using <u>3-D Secure</u> online.
<b>Card-holder not present</b>	Card transactions that take place without the physical presence of the card or the card holder on the merchant's premises - the card details are either entered online by the card holder or typed into a <u>PDQ</u> machine or <u>Virtual PDQ</u> by the merchant.
<b>Card-holder present</b>	Card transactions that take place when the card holder is physically present and the card can be inserted into a merchant's <u>PDQ</u> machine
<b>Chip &amp; Pin</b>	Facility for entering a four digit pin number directly into a <u>PDQ</u> card terminal and used with <u>card-holder present</u> transactions to enhance the security of the transaction
<b>Issuer or Issuing Bank</b>	The organisation that issues credit cards to consumers or businesses, e.g. Egg, Barclaycard, MBN, etc.
<b>MasterCard SecureCode</b>	See 3-D Secure <u>above</u>
<b>MOTO</b>	Mail Order or Telephone Order
<b>PCI DSS</b>	Payment Card Industry Data Security Standard - if you accept credit cards, then you need to comply - see separate leaflet, or our <u>February 2008 newsletter</u>
<b>PDQ</b>	"Process Data Quickly" terminals, which process credit and debit card transactions over a 'phone line or wireless link
<b>PSP</b>	Payment Services Provider that handles online credit card transactions securely and interfaces with a merchant's Acquirer, e.g. Protx, SecureTrading, etc.
<b>SSL</b>	Secure Sockets Layer - a method of providing secure encrypted Internet transactions - website addresses start with HTTPS instead of HTTP - you should also see a golden padlock displayed in the browser.
<b>Verified by Visa</b>	See 3-D Secure <u>above</u>
<b>Virtual Terminal or Virtual PDQ</b>	A secure online web page provided by a Payment Services Provider to enable a merchant to enter card details manually as an alternative to using a physical <u>PDQ</u> machine.



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### Accepting Credit Cards Online...

There are a number of different ways that credit cards can be accepted online – information about the general options is available from [www.electronic-payments.co.uk](http://www.electronic-payments.co.uk):

**PSP** - Automatic handling of payment transactions online by a **Payment Services Provider** (or PSP) – the customer is transferred to a secure website hosted by the PSP, but customised to the same look and feel as the business's website. The transaction takes place and is validated on the spot. The customer receives an acknowledgement and control is returned to the business's website with an indication of whether the card was accepted or declined.

- ✚ The most common type of PSP acts as a gateway and passes the completed transaction to an Acquiring Bank that is providing the Internet Merchant Account. Payment to the business then proceeds in the normal way.
- ✚ Certain PSPs can also provide a complete end-to-end service – they provide an Internet Merchant Account and will complete the transaction, settling net funds directly into the business's bank account on a weekly or monthly basis.

**SSL** - Encryption of credit card details online, that are sent to the business by e-mail – the business then validates the payment and enters it via a PDQ machine that is rented from the Acquiring Bank providing the Internet Merchant Account. Payment to the business then proceeds in the normal way.

- ✚ In order to accept credit card details online securely and encrypt them for transmission back to your office by e-mail, a special type of web space called SSL space is required in addition to the main website space. You will also need an email encryption facility.

**Note** that if you handle card details yourself as would be the case with the SSL approach, then you will need to comply with the **PCI DSS Payment Card Industry Data Security Standard** which can be quite onerous. If you use a PSP, then you need to ensure that they comply. For more information about PCI DSS see the separate leaflet or the special feature in our [February 2008 newsletter](#).

We can supply solutions for integrating PSP solutions or SSL space and email encryption. Our eCommerce solutions can be configured to integrate seamlessly with most major PSPs as well as work with SSL space.

**SecureTrading** was one of the first gateway PSPs to achieve full PCI DSS compliance. We use Secure Trading and we are a **SecureTrading Partner**, so if you would like to discuss switching to SecureTrading please contact us.