

Glossary

Access banks	Lloyds Bank Plc, Midland Bank plc, National Australia Group (UK) Ltd, National Westminster Bank PLC, The Royal Bank of Scotland plc and the Bank of Ireland.
Acquirer processing	The processing on behalf of a merchant acquirer of card receipts supplied by a trader. Also known as merchant processing .
Administrateurs	Members of the Conseil d'Administration of a société anonyme.
APACS	Association for Payment Clearing Services. An association of major banks and building societies set up in 1985 to manage the development of payment clearing services in the United Kingdom and to oversee money transmission generally.
APR	Annual Percentage Rate of charge. The percentage rate of charge to cardholders calculated in accordance with the Consumer Credit (Total Charge for Credit) Regulations 1980 (SIS 51/1980).
ATM	Automated Teller Machine. Computerised self-service cash dispenser operated by inserting a magnetic stripe card followed by the appropriate PIN . Services available apart from cash withdrawals may include deposits, balance enquiries, mini-statements etc.
Authorisation	A procedure whereby traders contact card companies or other bodies to seek authority to accept transactions over a specified limit.
BACS	BACS Ltd (formerly Bankers' Automated Clearing Services Ltd). A company within APACS providing a bulk electronic clearing service.
Cardholder	An individual to whom a payment card has been issued. There can be more than one cardholder in relation to a particular card account-for example, where the account holder authorises the issue of an additional card for use by a member of his or her family.
Card issuer	Any financial institution or retailer which provides payment cards to its customers.
Card issuing	The service provided by a card issuer .
Carte Bleue	Generic term for domestic or international cards issued by French banks belonging to Groupeement Carte Bleue . The international Carte Bleue can only be used in the Visa payments systems network.
Charge card	Also known as 'travel and entertainment card'. Similar to a credit card , it enables the holder to make retail payments. Unlike a credit card , these are normally of unlimited value and the balance must be settled in full on receipt of a monthly statement. An annual fee is normally payable and sometimes an initial membership fee. The most common examples are American Express and Diners Club.
Clearing	Transmissions of instructions and settlement of payments between accounts held at different banks or different branches of the same bank.
Comité de Direction	The 'Executive Committee' of a société anonyme.
Conseil d'Administration	The 'Board' of a société anonyme.

Credit card	A card which enables the cardholder to pay for goods and services on credit, and to obtain cash advances. On receipt of a monthly statement, the customer need settle only a minimum amount of the outstanding balance.
DPIC	Data Preparation and Input Control-see Figure 3.3. This covers the preparation of traders' sales vouchers for data entry, and the processing of payments received from cardholders .
Debit card	A card used to debit a bank account, which may be used in an ATM or at point of sale.
Duality	Membership of two international payments systems (Visa and Master-Card/Eurocard), a prerequisite for issuing cards or acquiring merchants for both systems.
EFT	Electronic Funds Transmission. The transfer of funds, other than by means of a paper instrument, which is initiated through an electronic terminal or computer or magnetic tape so as to instruct or authorise a financial institution to debit or credit an account.
EftPos	Electronic Funds Transfer at Point of Sale. A payments system allowing retail payments to be made by transferring funds electronically from the customer's account to the trader's account without the use of cash or cheques.
Groupement Carte Bleue	Consortium of nine leading French banks, set up in 1972 to manage and regulate the Carte Bleue scheme. Groupement Carte Bleue is the only affiliate and representative of Visa in France.
Issuer processing	The processing of transactions to a cardholder account on behalf of a card issuer .
MSC	Merchant Service Charge. The charge on a transaction made with a payment card and paid by the trader to the merchant acquirer .
MasterCard/Eurocard	Trade marks of payment cards . The owner of the MasterCard trade marks is MasterCard International Incorporated (MCI), a company registered in the USA. The owner of the Eurocard trade marks is Eurocard International SA (ECI), a company registered in Belgium. MCI has licensed ECI to act as its European agent. The two names are combined (as shown) in this report because card issuers and merchant acquirers in the United Kingdom are normally members of both companies, not of one only. The benefits of membership of MCI and ECI, and the services which they provide to their members, are similar to those of Visa .
Merchant acquirer	A bank or other financial institution which has an agreement with individual traders to reimburse them for payment made by payment cards .
Merchant acquiring	The service provided by a merchant acquirer .
Merchant processing	See acquirer processing .
No Discrimination rule	Rule which requires traders to offer goods and services to card customers on the same terms as to other customers.

Payment card	Generic term for any plastic card (credit, debit, charge, store etc) which may be used on its own to pay for goods and services.
Payment schemes	Payment schemes exist as a way of bringing together cardholders , traders and banks within a common relationship. They provide widespread acceptability for cards and functions such as clearing and authorisation including some form of payment guarantee. Visa and MasterCard are the leading examples of large international payment schemes.
PIN	Personal Identification Number. A confidential number encoded on to the magnetic stripe of a plastic card and used to identify the cardholder by a stripe-reading terminal such as an ATM .
Shareholder banks	The four banks holding shares in Signet Ltd, namely, Lloyds Bank Plc, Midland Bank plc, National Westminster Bank PLC and The Royal Bank of Scotland plc.
Store card	Payment card (with some functions similar to those of a credit card) for use at the retail outlets of the card issuer or the trader on whose behalf it is issued.
Switch banks	There are different classes of Switch membership. Currently there are 26 members including the founder members: Midland Bank plc, National Westminster Bank PLC and The Royal Bank of Scotland plc. The three founder members are referred to as the Switch banks.
Third party processor	A firm which provides services to a card issuer or merchant acquirer as separate businesses.
Visa	Abbreviation for Visa International Service Association, a corporation registered in the USA, and owned and run by its members. Visa members are entitled to issue cards bearing the Visa name and logo, which makes the cards acceptable at all Visa traders in the United Kingdom and worldwide. Members of Visa are also entitled to acquire merchants who will accept Visa cards for payment. Membership of Visa gives access to its international payments interchange services and authorisation facilities.