

Glossary

Note: In the context of this report the following words or phrases are to be interpreted as shown. In other contexts they may have other meanings.

Agent commission	Commission or other payments paid by issuers to agents selling travellers cheques. Sometimes referred to as incentive payments . May be related to the value of travellers cheques sold and may be pro rata or stepped according to the volume of cheques sold.
ATM	Automatic teller machine. Generally provided by banks or other financial institutions, ATMs provide cash in local currency to holders of plastic cards of various types. Coverage is largely limited to OECD countries.
Brands	Throughout this report travellers cheque brands (eg <i>VISA</i>) are printed in italics to distinguish them from issuing organizations.
Consumer commission	Commission or other payment paid by consumers to agents selling travellers cheques. It may be calculated as a percentage of the face value of the cheques sold or it may be a flat fee. If foreign currency cheques are bought the agent may take an additional commission on the foreign exchange transaction.
CSO	Central Statistical Office.
FBSO	Federal Banking Supervisory Office in Germany (Bundesaufsichtsamt für das Kreditwesen).
Float	The funds held by the travellers cheque issuer for the period between receipt of sales monies from the agents which sold the cheques and the presentation of the cheques for payment.
Interest rate `swaps'	A means by which a company can exchange the interest income from deposits with a variable interest rate for interest income at a fixed interest rate. This enables the company to protect itself against adverse movements in interest rates.
Incentive payments	Paid to agents by issuers in order to secure or retain their travellers cheque business with those agents. May be paid on signing the agency agreement, pro rata to sales of cheques, or both.
IPO	International payment organization. Examples are Visa and MasterCard which license their brand marks <i>VISA</i> and <i>MasterCard</i> to issuing companies and others for acceptability and credibility reasons. Membership is drawn from the banking sector.
Issuer	A company that creates travellers cheques and is ultimately responsible for their repayment.
MasterCard	MasterCard International Incorporated (owner of the <i>MasterCard</i> brand).
OECD	Organization for Economic Co-operation and Development. Members include countries from Western Europe, North America, Australasia and the Far East.

PIPS	Personal international payment systems. A generic term which includes travellers cheques and plastic cards of all types.
Plastic cards	A general term covering credit, charge and debit cards.
Stockholding sales agent	Sales agent which carries stocks of travellers cheques for supply on demand by consumers.
Third party issuers	Issuers (such as Cook and ISL) which supply travellers cheques, not only to retail outlets which are part of the same company, but also to third party agents such as banks, travel agents, bureaux de change etc, for selling on to consumers. Sometimes they supply cheques that have been customized with the name of the agent displayed prominently on the cheque.
TRAMS	Travel Money Services. A mail order service for travellers cheques and/or foreign currency provided by Cook to non-stockholding sales agents, including banks, building societies and travel agents.
Visa	Visa International Service Association (owner of the <i>VISA</i> brand).
White label cheques	Travellers cheques issued in the neutral name of a subsidiary company created for this purpose, and thereby made acceptable for sale through agents which, in other lines of business, are in direct competition with the issuer (eg Interpayment Services Limited as a subsidiary of Barclays Bank).
Wholesaling	The provision of foreign currency and/or travellers cheques to sales agents as an intermediary between issuer and agent.
WTO	World Tourism Organisation.