

Survey on the Cost of Payment Methods

GLOSSARY OF TERMS

Acquirer

A company that handles card payments on your behalf by processing information between your business and your customer's bank. The company charges fees and/or leases terminals to your business. Examples are Amex Bank of Canada, ATB Financial, Caledon Card Services, Chase Paymentech, Desjardins Group, Elavon, Everlink Payment Services, First Data Canada, Global Payments, Home Trust, Intuit Canada, Moneris, Peoples Trust, PSiGate, RBC Royal Bank, Square, Suncor Energy, TD Merchant Services and PayPal Here.

Acquirer statement

Monthly overview provided by your acquirer of all the card payments received from your customers and their associated fees.

Bank notes and coins

Money issued by the Bank of Canada and the Royal Canadian Mint.

Business account

The bank account used to collect and/or deposit card and cash payments received from your customers.

Card terminal

Electronic equipment used to accept card-based transactions, such as debit, credit and plastic prepaid gift card transactions.

Cash register

Machine used to register and calculate transactions. Most cash registers also have a drawer to keep bank notes and coins.

Cash theft

Deliberate theft of bank notes or coins, including by staff.

Chargebacks

Reimbursement of a credit card transaction, often requested by the cardholder. This occurs when the cardholder disputes a transaction, for example, when he/she claims to have never authorized the payment, or to have received goods late or damaged, or not at all. For the purpose of this questionnaire, we are interested in chargebacks of transactions made only in your physical store locations. Chargebacks of credit card payments made online should be excluded from your answers.

Cheques

A personalized slip of paper issued by a financial institution for use by its customers as a form of payment. It identifies the recipient of the funds, the transaction amount and the date on which the specified amount can be deposited. It must be signed by the customer for the payment to be authorized.

Chip and PIN

Technique that requires a customer to insert the chip on their debit or credit card into the card terminal and then enter their personal identification number, or PIN, to make a payment. The customer is prompted by the terminal to remove the card once the transaction has been approved.

Contactless/tap-and-go

Technique that requires a customer to wave or tap their debit or credit card over a terminal without the need to swipe or insert the card. In most cases, the customer does not need to enter a personal identification number, or PIN. Examples are MasterCard PayPass and Visa payWave for credit cards, or Interac Flash for debit cards.

Counterfeit bank notes

Bank notes that have been produced by criminals to resemble genuine bank notes. Once you have accepted a counterfeit note, your business suffers a loss from the goods or services sold since the money received has no value.

Credit card

Allows the cardholder to pay for goods and services on an approved line of credit. Most credit cards in Canada are issued by Visa, MasterCard and American Express, but other examples are Diners Club International and Discover.

Credit card fraud

Occurs when the information contained on the customer's credit card is stolen and used to obtain funds from the customer's account without authorization. Your business may be held liable for the cardholder's loss if there is evidence that the security guidelines for credit card transactions were not followed. You may also suffer loss when goods or services are paid for using fraudulent credit cards.

Debit card

Allows the cardholder to pay immediately from their bank account. The money is usually deposited into the merchant's account at the end of the day. Most debit cards in Canada bear the Interac logo.

Debit card fraud

Occurs when the information contained on the customer's debit card is stolen and used to obtain funds from the customer's account without authorization. As the business owner, you may be held liable for the cardholder's financial loss if there is evidence that the security guidelines for debit card transactions, such as always requesting a personal identification number, or PIN, were not followed. Some criminals may tamper with your PIN pad or magnetic stripe reader to engage in fraudulent transactions, which results in a direct loss for your business.

Deposit error

An error related to the deposit of bank notes and coins into your bank account. Such an error often becomes apparent when the amount credited to your business account does not match the amount of money you deposited.

Interac

Network through which most debit card transactions in Canada are processed. Interac debit card transactions appear on your acquirer statement or bank statement as Interac Direct Payment (IDP) transactions. If you accept Interac debit card payments, you will most likely display the Interac logo at your point-of-sale location.

Magnetic stripe and PIN

Technique that requires a customer to swipe the magnetic stripe on their card through the card terminal and then enter their personal identification number, or PIN, to make a payment. Today, this is mainly used for older card terminals that are not equipped with the chip and PIN technology, or for debit cards that do not have a chip.

Magnetic stripe and signature

Technique that requires a customer to swipe the magnetic stripe on their credit card through the card terminal and then sign the printed receipt to make a payment.

Magnetic stripe without signature

Technique that requires a customer to simply swipe the magnetic stripe on their credit card through the card terminal to make a payment.

Mobile payments

Payments made using an application, or app, on your customer's smartphone. Mobile payment apps could include any of the following:

- Digital wallet app: Links to your customer's credit card and/or bank account. **Examples are Google checkout and Zoompass.**
- Payment account app: Allows the customer access, through their smartphone, to an online account that is loaded with funds. **An example is PayPal.**
- Store-branded prepaid card app: Allows the customer to use a store-branded prepaid card through their smartphone. The app keeps track of their balance and usually offers a convenient way to reload the card. **An example is the Starbucks card.**
- 'Tap-and-go' payment app: Incorporates the contactless/tap-and-go technology. **An example is the CIBC Mobile Payments app.**

Other payment methods

Any form other than cash, credit card, debit card or plastic prepaid gift card that consumers can use to pay at your counter, including but not limited to coupons and paper gift certificates.

Payment processor

Please see "Acquirer."

Plastic prepaid gift card

A card issued by a retailer or a group of retailers (for example, a shopping mall) that can be used only at participating stores. Some gift cards can be reloaded with funds. Plastic prepaid gift cards do not include paper gift certificates, coupons or prepaid Visa/MasterCard cards.

Plastic prepaid gift card fraud

All forms of fraud involving plastic prepaid gift cards that cause your business to suffer financial losses.

Safes

Businesses often choose to store cash and cheques in safety boxes or safes until they have time to deposit them at the bank.

Safety boxes

Please see “Safes.”

Till

Please see “Cash register.”

Till shortage

Occurs when the closing cash balance at the end of the day is less than the starting cash balance *plus* all cash received and *minus* all change given to customers. Till shortages occur when the wrong change is given (till shortage due to mistakes) or when change is removed from the till that is not accounted for (e.g., theft).