



## Card Acceptance (CP) Visa, MasterCard and Maestro at the POS

More and more customers prefer to use cards for point-of-sale (POS) payments – not least in Germany. Card payments also offer advantages for merchants, for example higher shopping-basket values or lower cash-handling expenses. With Card Acceptance (CP), Deutsche Card Services offers European merchants not only a contractual basis for accepting MasterCard, Maestro and the different types of Visa cards, but also a procedure to process card transactions with the card organisations – from transaction authorisation to payment.

### Background/market development

Card payments are becoming ever more important in the traditional bricks-and-mortar business. In 2007, cards were used to pay for purchases worth EUR 199.1 billion in stationary business in Germany. Out of this total, EUR 45.6 billion were paid for by credit cards. The value of purchases paid for by debit cards amounted to EUR 137.4 billion. Sales were up EUR 11 billion year-on-year, with credit card sales increasing 10.3% and debit cards sales going up by 4.4%. Card sales are generated by 130 million payment cards in Germany. The number of cards was up 3.3% yoy. (Source: PaySys Consultancy).

Using cards has several advantages: The value of the average shopping basket increases, as customers who use cards for payment usually spend more than those who pay cash. Customers decide more spontaneously on purchases, as credit cards in particular provide their holders not only with credit lines and attractive payment dates, but in some cases also with easy instalment purchase options. New and wealthy customers can be won at both the national and the international level. This is particularly true for business customers, who can and want to use their business credit cards. Customer loyalty is boosted if merchants accept the preferred payment method, which may offer customers fringe advantages, such as bonus programmes or additional services such as integrated insurance policies.

### Description of the product

In order to be able to offer payment with international debit and credit cards merchants need the approval of the relevant card organisation. International card organisations distinguish between acceptance contracts for long-distance selling (also called "card-not-present" (CNP) business, as the card is not physically present at the merchant's shop) and acceptance contracts for stationary business (also called "card-present" (CP) business, as the card is physically present). The Visa and MasterCard card organisations do not issue acceptance approvals themselves, but have outsourced this task and merchant support to acquirers. Deutsche Card Services acts as European acquirer and concludes acceptance contracts for MasterCard, Maestro and the different types of Visa cards with European merchants.

Beyond the general approval for card acceptance, Deutsche Card Services also processes the payments, from accepting and authorising transactions until booking them and making payments.

In contrast to e-commerce, stationary business requires hardware investments – usually in a terminal which can read card data and enable data communication with the acquirer. Deutsche Card Services offers these services for the German market.

### How it works (example: credit card)

1. Customers use their credit card to pay for the merchandise at the terminal.
2. The card data are sent from the merchant's system (terminal) to the Deutsche Card Services network and routed to the card organisation and from there to the card issuer (authorisation request).
3. The card issuer authorises the amount and sends the authorisation response to the card organisation, which relays it to the Deutsche Card Services network and in turn to the merchant's system (terminal).
4. The POS merchant confirms the payment authorisation to the customer and hands over the merchandise.
5. Claims are offset via Deutsche Card Services.

### Supplementary products

#### ■ POS Terminals and Routing (CP)

In Germany, terminals and data communication are usually provided by network operators. With POS Terminals and Routing (CP), Deutsche Card Services offers these services directly and provides the full range of services, from technical equipment to complete settlement.



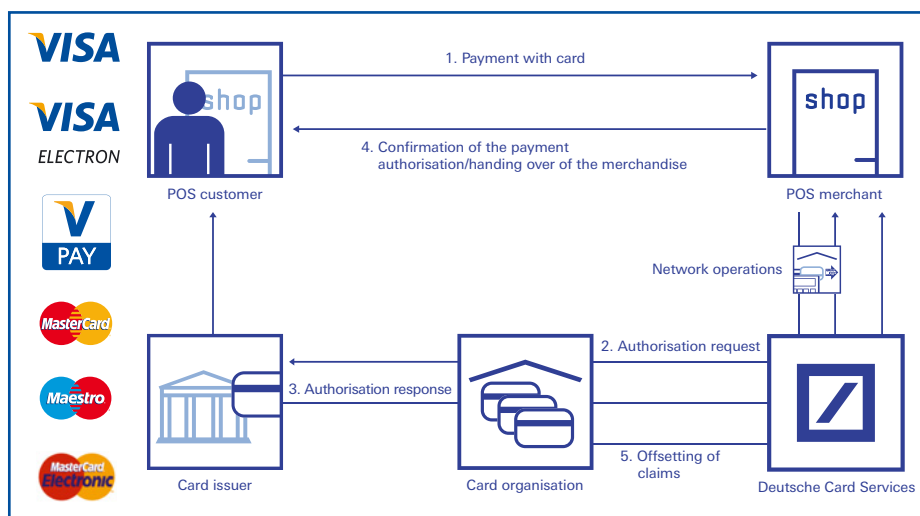
■ **Acceptance procurement for American Express**

In contrast to Visa and MasterCard, American Express concludes its acceptance contracts directly with merchants. Deutsche Card Services can procure such acceptance contracts.

**Target groups**

Card Acceptance (CP) is addressed at stationary merchants in Europe, in particular those who

- do business with both national and international final customers.
- do business both in the CP and the CNP segment.



**Reasons to choose Card Acceptance (CP)**

- Opening up new customer segments.
- Exploiting sales potential by generating higher shopping basket values and spontaneous purchases.
- Lower cash provision and reduction of related expenses.
- Numerous payment and transaction currencies.
- Quick, smooth and secure processing.

**Reasons to choose Deutsche Card Services**

- Payment solutions for all sales channels from one provider.
- Seamless integration into the Cash Management services of Deutsche Bank.
- Extensive and personal support.
- Full service in connection with POS Terminals and Routing (CP) – from the acceptance contract to the complete settlement of transactions.
- Web-based online reporting.
- First payment platform in Europe to obtain a PCI security certificate.

**For more information please contact the Sales Solutions Office of Deutsche Card Services:**

Tel. +49 221 99577-760  
sales.deucs@db.com