



POS Terminals and Routing (CP)

Perfect technical equipment for POS card payments

More and more customers prefer to use cards for point-of-sale (POS) payments. Card payments also offer advantages for merchants, for example higher shopping-basket values or lower cash-handling expenses. With POS Terminals and Routing (CP), Deutsche Card Services provides the perfect technical equipment for exploiting the advantages of cards and offer POS card payment.

Background/market development

Card payments are playing an ever bigger role in traditional point-of-sale (POS) business and are a useful addition to usual POS payment methods.

In 2007, cards were used to pay for purchases worth EUR 199.1 bn in stationary business in Germany. Out of this total, EUR 45.6 billion were paid for by credit cards and EUR 137.4 billion by debit cards. Sales were up EUR 11.7 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% year-on-year.

In order to be able to offer card payments in POS business merchants need

- hardware to read and process card data (usually terminals).
- access to a data communication network in order to process card payments.
- approval for card use from the relevant institutions. In international card business, organisations distinguish between long-distance selling (also called "card-not-present" (CNP) business, as the card is not physically present at the merchant's shop) and stationary business (also called "card-present" (CP) business, as the card is physically present) and conclude different acceptance contracts.

Description of the product

In Germany, the hardware needed to read and process card data and the data communication network needed to settle card payments are usually provided by so-called network operators. Deutsche Card Services directly offers these services in the framework of POS Terminals and Routing (CP).

POS Terminals covers not only hiring out card payment terminals, but also

- the configuration of card payment terminals for the desired payment methods;
- delivery of the terminals by post or, on request, including installation;
- a 24/7 hotline for technical support;
- a replacement service in case of problems, with the new terminal being delivered by post or in person to the merchant.

Different terminal models are available for different purposes. All of them are produced by well-known manufacturers, above all Hypercom and Ingenico.

- One or two-piece machines for stationary use, for example at one or more cashdesks.
- Portable machines for flexible use around a WLAN or Bluetooth basis, for example for cashdesks at different places or in restaurants.
- Mobile machines for fully mobile use inside and outside.
- Depending on the model, different communication interfaces are available, among them analogous, ISDN, Ethernet, GSM and GPRS.

All terminals have been approved by the German Central Credit Committee (Zentraler Kreditausschuss, ZKA) for national payment settlement and support the international EMV chip standard.

Routing (CP) provides the technical infrastructure that enables the terminals to communicate with the processing agents for numerous cards and payment methods.

Available cards and payment methods	
Credit cards	
International debit cards	
German debit card procedures	
Petrol-station cards	
Customer cards issued by merchants (individual examination required)	

- girocard and direct-debit payments can be processed completely, up to filing for clearing, with Routing (CP).
- In combination with Card Acceptance (CP), complete processing is also available for Visa, MasterCard and Maestro cards.
- Complete processing for other payment methods or cards such as American Express or Diners requires separate agreements with the suppliers or card



organisations. Deutsche Card Services can act as an intermediary in this respect.

How it works (example: girocard)

1. Customers choose "girocard" to pay for their merchandise at the terminal.
2. Card data are sent from the merchant's system (terminal) to the Deutsche Card Services network and routed to the authorisation agency or the card issuer.
3. The amount is authorised by the authorisation agent or the card issuer, and the authorisation response is sent to the Deutsche Card Services network and, in turn, to the merchant's system (terminal).
4. The payment authorisation is confirmed to the customer, and the merchant hands over the merchandise.
5. The collected girocard transactions are filed with the merchant's bank (DTA file).
6. The merchant's bank credits the receivable.
7. The receivable is collected from the customer's bank in the framework of the interbank payment system.
8. The cardholder's account is debited.

Supplementary products

Just like in e-commerce, Deutsche Card Services, as a full-service provider, offers other services in the stationary segment which are particularly attractive in connection with POS Terminals and Routing (CP).

■ Card Acceptance (CP)

Creates the contractual basis for the acceptance of Visa, MasterCard and Maestro cards and permits complete processing by one provider.

■ 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

POS Terminals and Routing (CP) are addressed to merchants which are active in stationary trade in Germany, in particular those which

- do business with both national and international final customers.
- are also active in long-distance selling.



Reasons to choose POS Terminals and Routing (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.
- Quick, smooth and secure processing.

Reasons to choose Deutsche Card Services

- Full service in connection with Card Acceptance (CP) – from the acceptance contract to the complete settlement of transactions.
- Seamless integration into the Cash Management services of Deutsche Bank.
- Extensive and personal support.
- Payment solutions for all sales channels from one provider.

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