



Authorization Processing Service

Visa Debit Processing Service

Overview

Visa® Debit Processing Service offers robust and flexible authorization solutions for Visa and ATM card products. Our authorization service options are highly customizable, offering real-time and stand-in support that enables you to provide fast, reliable transaction authorization wherever your cardholders choose to conduct business—at the ATM or point of sale, over the Internet, or via telephone.¹

With proven and tested reliability, integrated security features, and the advantages of single-point access, Visa Debit Processing Service authorization services are a smart solution that can help you control costs and improve service. You choose the level of support that best meets your business requirements—from using Visa to provide full authorization or selected portions of the process in cooperation with your financial institution's host system. And, the parameters that you define control all transaction processing, providing flexibility to meet your specific business requirements.

Visa Debit Processing Service can provide authorization services for magnetic stripe and contactless-read transactions for the following card types:

- Visa check cards
- Visa Business check cards
- Visa credit cards²
- Visa prepaid products
- Other PIN-based ATM and POS cards

Benefits of Authorization Processing Service

- **Reduce processing costs.** Your financial institution's single-point connection to Visa Debit Processing Service enables you to consolidate all of your card-based authorization processing on an integrated platform—reducing telecommunications costs, eliminating redundant functionality, and streamlining back-office procedures.
- **Improve authorization decisions.** Enhance your authorization decision-making process with information supplied by Visa Advanced Authorization and other authorization parameters—adding security and increased confidence to each Visa payment card authorization.
- **Manage fraud.** Design customized anti-fraud strategies to successfully detect and stop potentially fraudulent activity using Fair Isaac's Falcon™ Fraud Manager.³ This neural network platform performs sophisticated fraud scoring to capture relationships and patterns often missed by traditional fraud detection methods.
- **Optimize your processing system.** Optimize the efficiency of your internal resources by allowing Visa to perform various functions such as card verification, address verification, CVV/CVV2 checking, PIN validation, and expiration date checking prior to routing transactions to your host system for authorization.
- **Customize transaction authorization.** Balance risk and utility for each card segment by providing distinct authorization parameters for each of your card programs.
- **Serve cardholders around the clock.** Rely on strong up-time performance to serve your cardholders wherever and whenever they transact business—enhancing your approved transaction rate and cardholder satisfaction.

How Authorization Processing Service Works

Your financial institution's card record file at Visa Debit Processing Service resides on the Authorization Processor (AP) system. AP can perform the entire authorization function or selected portions of the process in cooperation with your host system. And, because the Visa Debit Processing Service authorization system is flexible, you may customize support to meet your specific business requirements.

How Authorization Processing Service Works (continued)

Key Features

Authorization options include:

- **Host Processor Authorization.** With this option, Visa Debit Processing Service routes all transactions to your host system for authorization decisions. If your host system is unavailable, Visa can stand in and authorize transactions using limits and other criteria defined by your financial institution. At your option, a host advice is delivered when your host becomes available.
- **Cooperative Authorization.** With this option, your host system and Visa Debit Processing Service participate jointly in the transaction authorization process. Visa Debit Processing Service can pre-screen all or selected transactions based on limits and other criteria, including account balances, established by your financial institution. Transactions that pass the pre-screening checks are then routed to your host system for final authorization. Visa also can perform full stand-in authorization or authorize transactions below a floor limit, based on your specifications.⁴
- **Stand-Alone Authorization.** With this option, Visa Debit Processing Service makes all authorization decisions using client-defined parameters, such as activity limits and account balances, without requiring a full-time online link to your host system. Visa creates and sends a batch-posting file to your host system at the end of each settlement day.⁴
- **Prepaid Authorization.** In addition to the Host Processor Authorization option, Visa Debit Processing Service also supports a turnkey prepaid solution. With this option, Visa routes your financial institution's prepaid transactions to the Visa prepaid processing host system. The prepaid host system authorizes transactions and deducts the amount from the card balance. Similar to the Stand-Alone Authorization option, the prepaid host stores and maintains all cardholder data and makes all authorization decisions based on your specifications and product type.
- **Authorization file types.** Visa Debit Processing Service makes authorization decisions on behalf of your financial institution using one of the following file types:
 - **Authorization Processor (AP) Positive File.** Your financial institution loads all cardholder records on the Visa Debit Processing Service system. Transactions are authorized for any valid card number, without a negative status, on the cardholder file. All decisions are subject to multiple client-defined authorization parameters. Daily dollar limit and velocity checks are available to limit activity and may be set at different levels depending on whether your host is available or unavailable.
 - **Positive File with Account Balances.** This option includes all authorization processing services available with a Positive File. In addition, it checks the cardholder's account balance to make authorization decisions and offers the option of placing a hold on funds until transactions are settled. Account balances are refreshed daily using a batch file transmission from your host system.
 - **Processor Interface (PI) Negative File.** Transactions are authorized for any valid card number that is not on the Negative File and subject to daily dollar limits. Your financial institution loads cardholder records for all lost, stolen, and blocked cards on the Visa Debit Processing Service system. In stand in, transactions are authorized for any valid card number that is not on the Negative File with a "hot card" or "blocked" status and has passed pre-defined edit checks such as PIN verification and expiration date checking. Daily dollar limit checks are available to limit activity for all cardholders.
 - **Exception File.** Same as the PI Negative File, except that you may also load records for cardholders who require special limits (e.g., VIPs).
- **Authorization edit checks.** Risk edits and authorization processing options help reduce your fraud exposure. Edit checks may be set at the financial institution, card group, or individual cardholder level. You may set limits separately for cash and POS activity, and timeframes may be set for single-day or multiple-day periods.⁵ Authorization edit checks include, but are not limited to:
 - **Daily spending limits.** Monitors dollars spent and cash back.
 - **Daily cash withdrawal limits.** Limits the amount of cash available for daily withdrawal.
 - **Velocity checks.** Monitors the frequency of card use.
 - **Expiration date checks.** Determines if the card is expired and/or checks for an exact expiration date match.

Key Features (continued)

- **Name match.** Reduces the risk of skimmed and counterfeit cards by comparing the Track 1 names on incoming authorizations to names on file.
- **PIN validation.** Validates the entered PIN using the PIN offset stored on file.
- **Visa Fraud Protection Programs.** For greater card program protections and reduced fraud, these programs validate additional data in the authorization message:
 - **Cardholder Verification Value (CVV).** Validates a unique three-digit code on the magnetic stripe of all cards to detect counterfeit or re-encoded cards.
 - **Cardholder Verification Value 2 (CVV2).** Verifies a unique value, printed on the reverse side of the card, to reduce fraudulent card-not-present transactions.
 - **Dynamic Cardholder Verification Value (dCVV).** Validates a dynamic three-digit code provided by the chip on a contactless card to detect fraud.
 - **Address Verification Service (AVS).** Enables merchants to confirm a cardholder's billing address to prevent fraud in the card-not-present environment.

Visa Debit Processing Service can perform these checks on your behalf before routing to your host for final authorization.

- **Falcon Fraud Manager.** Enables you to employ an advanced neural network system to design customized anti-fraud strategies to detect and stop potentially fraudulent activity. All authorizations are passed to Falcon for scoring. Primary components of Falcon Fraud Manager include Falcon Debit™, which calculates a fraud score for each transaction based on individual cardholder and transaction data, and Falcon Expert™, which enables you to define rules to automate fraud prevention procedures.
- **Flash Fraud Rules.** Provides a parameter-driven set of rules to help catch and block suspect transactions falling into specific risk categories. Flash Fraud Rules are temporary rules to catch isolated fraud and stop authorizations prior to approval. They may be used alone or in conjunction with Falcon. The following fields may be used to block fraudulent transactions:
 - Merchant country code, category code, and/or ZIP code
 - Acquiring network ID
 - PAN entry mode
 - Transaction amount range
 - CVV checked indicator and/or result
 - BIN
 - Prior Falcon score
 - Advanced Authorization Risk Score or Risk Condition Code
- **Visa Advanced Authorization.** Visa Advanced Authorization is a risk evaluation system that provides real-time risk information in the authorization message for VisaNet-processed authorizations initiated with U.S.-issued Visa cards. Risk information is provided in the form of:
 - **Risk Scores.** Uses predictive fraud models to indicate the probability that the authorization is fraudulent.
 - **Risk Conditions Codes (RCC).** Provides descriptive information for accounts associated with a high-risk compromise event (e.g., a compromised account or an account-generation scheme), as identified across the entire VisaNet® payments system and potentially across multiple issuers.

Once you receive Visa Advanced Authorization's risk information, you are empowered to take appropriate action based on your authorization risk strategies and parameters and/or send the risk information into your current risk management systems such as the Falcon Fraud Manager.

- **Verified by Visa (VbV).** VbV makes Internet transactions safer by authenticating a cardholder's identity in real time during an online Visa card transaction. When shopping on the Internet, cardholders enter a password to validate their identity during the authorization process.

Key Features (continued)

- **Card file maintenance.** Flexible card file maintenance options enable you to automatically synchronize card information on your host system with Visa—helping to reduce fraud losses and streamline back-office operations. Select one or more of the following maintenance options that work best for your financial institution:
 - **Client Administrative Tools & Services (CATS).** This option provides real-time access to the Visa Debit Processing Service cardholder file via browser-based application access through a PC at your financial institution. Using CATS for file maintenance, you can inquire or make immediate changes to card and/or account information. This includes immediately adding or deleting records on the Visa processing system and making inquiries or updates to card information in real time.
 - **Online Host.** Your host system automatically sends card file maintenance transactions via an online interface from your host system to the Visa processing system whenever your internal customer files are updated. This option provides automatic real-time synchronization without the need to re-enter data into another service application.
 - **Batch File.** Your host system transmits a daily batch file of adds, deletes, and updates to the Visa processing system. If your card maintenance activity is high, you may transmit multiple files per day. Using data from this file, Visa creates a cardholder file that is used for subsequent authorization processing and maintenance.
 - **Balance Refresh File.** Your host system transmits a daily batch file containing current account balances to the Visa processing system. If your card maintenance activity is high, you may transmit multiple files per day.
- **Hold/Match processing.** Visa places holds against account balances or daily limits and matches clearing items to outstanding holds. Hold length is parameter driven and may be set at the financial institution or transaction type level. Visa can provide a daily Open Hold Refresh (OHR) file of outstanding authorization holds at a cutoff time you specify.
- **Stand-in processing.** Visa authorizes transactions on behalf of your host system when it is unavailable or when you have chosen Visa to process certain transactions on your behalf. Before authorizing a transaction, Visa reviews your cardholder file, your specified limits, and your transaction data check options to handle the transaction according to your specifications.
- **Hot Card/Card Activation service.** Visa supports 24/7 hot card statusing and card activation services. Around-the-clock hot carding helps protect your cardholders and your financial institution from potential fraudulent activity. And, full-time VRU capabilities enable your cardholders to activate their new or reissued cards when it is most convenient for them.
- **Reports.** All authorization processing and card maintenance are audited and reported. Visa provides a suite of comprehensive reports to help you manage your card programs.
- **Customer-focused.** Meeting your payment product and service needs is our business and our priority.
- **Integrated processing solution.** Reach your objectives with the Visa solution for success in the debit and prepaid marketplaces.
- **Continuous access and security.** You're covered with reliable, state-of-the-art processing and security technology.
- **Single-point connectivity.** One connection simplifies your Visa and EFT product processing needs.
- **Proven service.** Specialized client team is dedicated to helping you meet your card program goals.

The Visa Debit Processing Service Advantage

For More Information

For more information, please contact your Visa Account Executive or Visa Debit Processing Service at (800) 611-1426 x7673.

¹This document is intended for descriptive purposes only. For more complete information regarding these services, please contact Visa Debit Processing Service.

²Excludes statementing, interest, finance charges, or application of other fees.

³Falcon is a registered trademark of Fair Isaac Corporation.

⁴This option is not available for prepaid products.

⁵Edit options available to your financial institution depend on the type of file you provide to Visa Debit Processing Service.

