

Credit Card Processing:

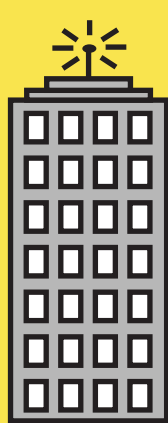
Behind the Scenes

It's simple to buy something at the corner store. You just swipe, insert or tap your card and go. The processing that takes place after you leave the store is not quite as simple. Your transaction must be authorized and reach settlement before your money is delivered. Here's what happens behind the scenes...



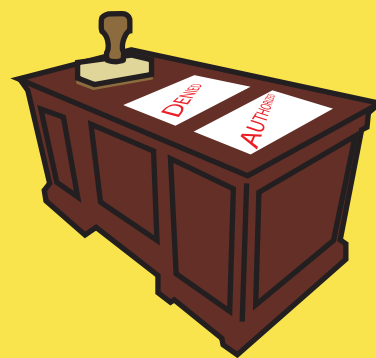
The journey begins when you submit (swipe, insert, or tap) your card for payment to the merchant at a store or online.

The card reader or online checkout sends your credit card information over a secure connection (aka "gateway") from the merchant to the processor



The processor receives the information from the gateway and submits the transaction to the credit card network (Visa or MasterCard, for example).

The credit card network then sends the transaction to your credit card issuer (like Chase or TD Bank); this is where your charge is authorized or denied.



HOLD

A hold is then placed for the verified amount once the transaction has been approved. This hold will remain until the transaction has been settled.

Your credit card issuer then sends the verified amount back to the network.



The network deducts fees from the verified amount for the gateway, processor, and network and sends the resulting amount to the merchant's bank. These fees are passed on to the merchant meaning you don't have to worry about them!

Once the merchant has received their money, the transaction has been settled!

