

Cash Discounting and Discount Offers Explained

U.S. | Acquirers, Processors, Agents

Visa Network



Overview: Because cash discount or discount offer programs have become increasingly popular at merchants, Visa is reminding U.S. acquirers, merchants, processors and agents that discount offer programs should be evaluated to ensure compliance with the Visa Rules.

Visa has received an increasing number of questions in relation to discount offers, or what are commonly called "cash discounts." While there are many different programs being offered to merchants by their processors or agents, the Visa Rules on discount offers should be consulted when considering whether a program of this type would benefit the merchant.

Visa's discount offer rule (ID#: 0008590) states that while merchants may request or encourage a cardholder to use a means of payment other than a Visa card, the method for doing so must be permitted under the Visa Rules, such as offering a discount from the merchant's list, stated or standard price, among other possible incentives.

An example of a merchant segment that properly implements this model is automotive fuel merchants. Oftentimes there is signage at fuel merchants that clearly displays the credit price next to the discounted cash or debit price. It is important to note that the discount is taken from the regular price of the fuel, and does not constitute any additional fee or surcharge that is removed when the customer pays with cash or a debit card.

Models that encourage merchants to add a fee on top of the normal price of the items being purchased, then give an immediate discount of that fee at the register if the customer pays with cash or debit card, are **NOT** compliant with the Visa Rules and may subject the acquirer to non-compliance action.

To maintain a level playing field for all participants of the payment system, Visa actively enforces its rules pertaining to cash discount programs. Acquirers should proactively monitor the discount programs offered by their processors or agents to ensure that the programs do not violate the Visa Rules.

For More Information

Contact your Visa Account Executive or call 888-847-2242 to speak with a Visa subject matter expert. Merchants and third party agents should contact their issuer or acquirer.

Notice: This Visa communication is furnished to you solely in your capacity as a customer of Visa Inc. (through its operating companies of Visa U.S.A Inc., Visa International Service Association, Visa Worldwide Pte. Ltd, Visa Europe Ltd., Visa International Servicios de Pago España, S.R.L.U. and Visa Canada Corporation) or its authorized agent, or as a participant in the Visa payments system. By accepting this Visa communication, you acknowledge that the information contained herein (the "Information") is confidential and subject to the confidentiality restrictions contained in the Visa Rules, which limit your use of the Information. You agree to

keep the Information confidential and not to use the Information for any purpose other than in your capacity as a customer of Visa Inc. or as a participant in the Visa payments system. You may disseminate this Information to a merchant participating in the Visa payments system if: (i) you serve the role of "acquirer" within the Visa payments system; (ii) you have a direct relationship with such merchant which includes an obligation to keep Information confidential; and (iii) the Information is designated as "affects merchants" demonstrated by display of the storefront icon  on the communication. A merchant receiving such Information must maintain the confidentiality of such Information and disseminate and use it on a "need to know" basis and only in their capacity as a participant in the Visa payments system. Except as otherwise provided, the Information may only be disseminated within your organization on a need-to-know basis to enable your participation in the Visa payments system. Visa is not responsible for errors in or omissions from this publication.