

## 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.

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