

MINIMUM TRANSACTION AMOUNT ON A VISA CREDIT CARD



Did you know U.S. merchants may impose a minimum transaction amount on a Visa credit card issued in the U.S. or a U.S. territory? The minimum transaction amount **must not** be greater than \$10. To help merchants understand the minimum transaction amount rules, Visa developed best practices for business owners.

WHAT THIS MEANS TO MERCHANTS

IMPORTANT!

Setting a minimum purchase amount only applies to transactions on **credit cards** issued in the U.S. or U.S. Territories. To properly train your staff on the difference between a credit card and debit card, review the best practices provided in this flyer.

- When a customer uses a Visa credit card to buy goods or services, you may establish a minimum purchase amount, but it **must not exceed \$10**.
- Minimum purchase amounts **cannot** be applied to transactions that are processed with **a debit card**.
- Make sure your staff understands what it means when a debit card is routed using a credit key (see next page).
- Merchants are encouraged to disclose their minimum purchase requirement. This can be accomplished through signage at the point-of-sale, and through proper verbal communication at the time a card is presented for payment.

CREDIT VS. DEBIT

The \$10 minimum transaction amount rule on Visa credit cards may sound simple, but it can get complicated if your staff doesn't know how to **differentiate between a credit card and debit card**.

IMPORTANT!

Sales staff must be able to recognize Visa prepaid and gift cards as a Visa debit card.



A Visa Debit card is clearly identified as such on the front of the card.

Visa prepaid or gift cards are also debit cards. The front of the card will say "DEBIT" and/or "ELECTRONIC USE ONLY".

TRANSACTION AMOUNT PROCESSING SCENARIOS

SIGNATURE-BASED TERMINALS ONLY

Merchants with terminals that accept signature-based transactions only (i.e., the terminal **does not** allow a customer to enter a PIN) must train staff to properly identify the Visa card “debit identifier” prior to processing the transaction.

EXAMPLE: *The customer presents a debit card for a \$5 purchase. The staff member does not check to determine the card type, assumes it is a credit card, and then incorrectly imposes the merchant’s \$10 minimum purchase amount.*

SIGNATURE- AND PIN-BASED TERMINALS

Merchants that support signature-based and PIN-based transactions (i.e., the terminal **does** allow the customer to enter a PIN) must also ensure that their staff **does not impose** a minimum purchase amount to a signature- or PIN-based transaction on a debit card. Even if the cardholder pushes the credit button after swiping a debit card, the card type is still debit and therefore it cannot be subject to a minimum purchase amount.

EXAMPLE: *A customer uses a debit card to make a \$9 purchase. The sales staff asks the customer if he or she wants the transaction processed as a “credit” or “debit.” The customer chooses “credit” at the terminal and prompts a signature- or PIN-based transaction. The sales staff **must not** impose a minimum \$10 purchase amount.*

BEST PRACTICES FOR SALES STAFF

- **Train your sales staff** to check for the debit identifier on the Visa card before processing a payment transaction.
- **Make sure that your staff has a firm understanding** of your minimum transaction amount requirement and are able to clearly communicate this requirement to your customers and answer any questions.
- **Use signage at the point of sale.** Place double-sided reminders that face both sales staff and customers.

FREQUENTLY ASKED QUESTIONS

Q. I thought merchants were not allowed to impose a minimum transaction amount on a Visa transaction.

Prior to the federal legislation passing in July 2010, it was against Visa rules to set a minimum transaction amount.

Q. Can merchants set minimums by payment type or network brand?

Any merchant may establish a minimum purchase amount of \$10 or less on credit card transactions only. The minimum amounts may vary, but must not differentiate by issuer or payment card network.

Q. Do I have to disclose the minimum purchase requirement?

No. To avoid customer confusion and possible complaints, it is recommended that merchants clearly disclose any minimum amount policy.

Q. Can merchants impose a maximum transaction amount?

Only federal agencies or institutions of higher education can impose a maximum transaction amount.

FOR MORE INFORMATION

For additional merchant resources or questions, please contact your merchant bank or visit www.visa.com.