

Managing misconceptions: Visa Europe merchant guide for car rental companies

Helpful information for car rental companies accepting Visa Credit and Visa Debit.



VISA

Introduction

At Visa Europe, we strive to continuously improve the range and quality of our payment services, including those offered to car rental companies and its customers. This guide provides valuable information on accepting Visa cards and highlights special services available to car rental companies. It is intended for merchants who have existing contracts with a Visa acquirer or are considering entering this sector.

Please read this guide to get the most benefit, and ensure your merchant agreement with your bank covers the special services described in the guide.

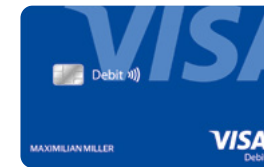
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Debit vs. Credit – there's no difference for you



Visa Debit



Visa Credit

Reservation of rental funds

(deposit for damages / estimated rental amount)



Billing for additional charges

(e.g. delayed charges or parking charges)



Advance payments



For you as a merchant, Visa Debit works the same way as Visa Credit. The only difference is the settlement of the payment. But as a merchant, you don't notice this: both instances involve a finite pool of funds available (Visa Debit: current account balance, Visa Credit: credit line).

There's no additional risk in accepting payments with Visa Debit compared to credit cards.

According to the [Visa Rules](#), all Visa cards have to be treated on equal terms, including Visa Debit. Please ensure that your Terms & Conditions reflect this policy.

Visa Debit payments: managing misconceptions

Do I need to update my payment terminal or amend my merchant service agreement to accept Visa Debit?

No, if you accept Visa Credit, you can also accept Visa Debit without any updates or changes to your merchant service agreement or payment terminal. Visa Debit and Visa Credit work similarly. It is important to obtain the cardholder's consent before processing an authorisation approval of the issuing bank, as the funds available for the transaction are limited to the sufficient funds.

Can I accept all types of Visa cards?

Yes, you can accept all types of Visa cards, including Visa Debit. This covers both – embossed* and unembossed cards as well as digital first cards**.

When could there be issues with Visa Debit payments?

Similar to Visa Credit, issues with Visa Debit payments could arise if transactions are not processed according to the [Visa Rules](#) or if a merchant does not properly inform the cardholder of additional transactions that may be processed. It is important to note, that there are no additional risks for Visa Debit payments compared to Visa Credit payments. From the merchant's perspective, Debit and Credit transactions work similarly.

How do Visa Debit payments differ from Visa Credit payments?

When processing payments with Visa Credit cards, the credit limit is restricted during pre-authorisation. In contrast, when processing payments with Visa Debit cards, the account balance, and if applicable, overdraft facility of the cardholder's account is restricted. For you as a merchant, there is no difference – you face no additional risk in accepting Visa Debit payments! In fact, the available funds with Visa Debit cards can often be higher than the credit limit of Visa Credit cards.

* An embossed card is an electronic payment card with imprinted or stamped payment details that can be sensed by touch on the card's surface.

** A digital first card is an electronic payment card where credentials are stored in a banking app or digital wallet.

Scenario: Visa Debit payments in car rental companies

Tony would like to rent a car for the weekend using his Visa Debit card.

Tony places his Visa Debit card on the card terminal – the authorisation process is initiated.



1. Rental process

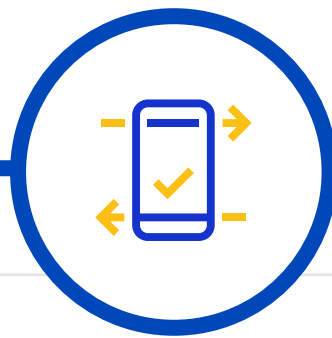
- The car rental calculates an estimated rental fund of €300 and a deposit of €200 for delayed charges.
- The car rental provides Tony with a breakdown of costs and obtains his consent before processing an authorisation approval of the issuing bank. He's also informed that there need to be sufficient funds (at least €500) available on his Visa Debit account. Otherwise, the pre-authorisation will not be successful.

Scenario: Visa Debit payments in car rental companies

Once the bank confirms the pre-authorisation, you, as a merchant, can rest assured about your customers' payments: Now the funds cannot be used otherwise by Tony in the given timeframe.

3. Settlement

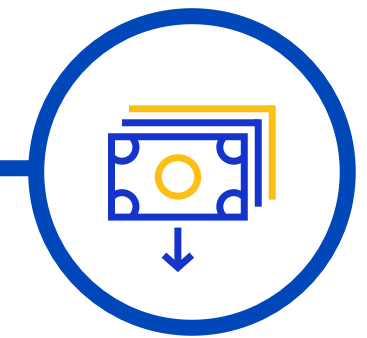
Tony returns the car undamaged. The car rental charges the rental fund of €300 and releases the pre-authorisation of €200.



2. Authorisation process

- Tony's bank approves the pre-authorisation as there are sufficient funds available (this only takes a few seconds).
- The amount of €500 is now blocked on Tony's account until the car is returned or the pre-authorisation is released.

Visa will upgrade the authorisation validity and clearing time frames. Car rental merchants will have 30 days to clear estimated and incremental authorisations.***



*** To further improve our offering for car rental merchants, we are modernising the validity of the authorisation process from April 2024. Additionally, new pricing for acquirers will be introduced.

Why accept Visa?



Visa Europe leverages its experience in the travel and entertainment sector and its knowledge of the specific needs of car rental companies to offer exclusive services not available to other Visa merchants. For instance, car rental companies can use a Visa card to guarantee reservations before the customer picks up the vehicle and bill the customer for additional charges found after the vehicle is returned.



Accept payments from consumers across 200+ countries



Facilitate services for your unique requirements

In addition, Visa Debit is the preferred payment method for customers in Europe and worldwide. With transactions charged directly to the customer's account, they have full control over their expenses. Visa Debit cards can be used anywhere, anytime, whether it's at the point of sale, contactless, online, mobile, via app or digital wallet.

100

million merchant locations accept Visa

2.9

billion Visa Debit cards internationally

263.2

billion annual transactions

14.3

trillion total volume

How Visa improves your car rental company



Offer upfront payment and reservation options with flexible changes



Offer customers an improved customer service experience through faster service



Allow customers to reserve a vehicle and offer a range of options for making any changes to their reservation



Convenience, particularly at peak times, with express vehicle return made possible as card details can already be held on file



Reserve and top up estimated rental funds from the customer's Visa card during the rental period



Simplify billing for additional charges such as parking fines or damage after the rental period

Best Practices

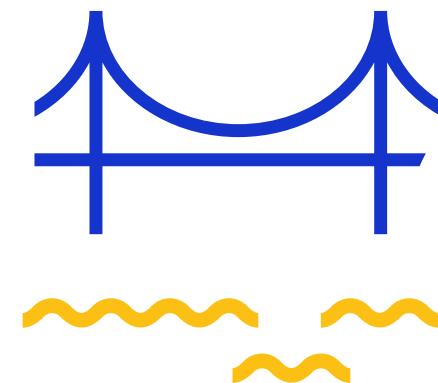


1. Advance Payments

- Car rental companies can accept partial or full payment in advance of rental pick-up.
- Advance payments cannot be used as a deposit for damages or losses unless specific customer consent is obtained.
- The car rental company must seek cardholder's express informed consent to an agreement, including a description of goods or services, total purchase price, and cancellation/refund policies, including the expiration date of cancellation privileges.

2. Guaranteed Reservations

- Customers can reserve a car rental by providing their card details to the car rental company. No payment is taken at the time of reservation.
- The car rental company provides written reservation conditions at time of reservation.
- No-show transaction only processed if cancellation policy not properly followed by the customer.



3. Payment at Pick-up

- Car rental companies can estimate the rental cost and seek authorisation for the estimated amount, without including potential damage or insurance deductible.
- Issuers must hold approved estimated rental transaction funds for up to 31 days.
- If the total cost goes above the estimated amount, incremental authorisation requests can be submitted.
- Authorisation must be reversed if the rental is cancelled or not settled, to release the reserved funds.



Best Practices

4. Delayed Charges, Parking Charges, etc.

- Car rental companies can charge the cardholder for an amended rental amount or delayed charge up to 10 days after the rental return.
- To do so, merchants must provide a clear explanation of the charge, evidence of the cardholder's consent to delayed charges, and an estimated cost of the damage.
- Car rental companies must inform the cardholder that payment with their Visa card is optional and that they can choose how to settle any further charges.
- For delayed charges related to vehicle damage, merchants must provide the acquirer with evidence of the cardholder's consent and a copy of their insurance policy and rental agreement to the acquirer.

5. Deposits

- Car rental companies can take deposits for damages or additional charges.
- If no extra charges are incurred, the full deposit will be refunded.
- Authorised amounts should not be held beyond the day of approval, as issuers will release the hold after that time.

Conclusion

In conclusion, any type of Visa card, including unembossed cards, can be used for car rental payments. It is important for car rental companies to inform their customers that sufficient funds must be available on their Visa Debit or Visa Credit account, considering the associated costs of pre-authorisation. Without sufficient funds, the payment will not be accepted.

Merchants should only decline a payment if the authorisation has been rejected, as any risk after authorisation lies with the issuing bank.

By following these guidelines and properly informing customers, car rental companies can provide a seamless payment experience and reduce the risk of payment issues.

[Find out more about Visa and our products](#)

If you have any questions, please contact us via email to CustomerSupport@visa.com, via chat on the Visa Online homepage, or give us a call at +44 20 7297 14 44 .

Our Client Resolution team is available Monday to Friday from 7 a.m. – 6 p.m. UK local time and 8 a.m. – 4 p.m. UK local time on UK public holidays (excluding Christmas Day, New Year's Day, and Easter Monday).

