

# Interchange ++, Explained.

## The cost breakdown

Card payment costs can be split into 3 separate charges:

### Interchange

This is the fixed fee that is given to the Card Issuer for every transaction processed, while the EU has sought to standardise these costs there are still many variable rates and fees that apply based on the criteria around the individual transaction. These rates are regulated by each individual state within the EU and also for cross-border transactions or Intra European transactions by the Card schemes centrally. As such these rates still change and are updated on a periodic basis, for the most up to date current rates please visit the website of the relative Card Scheme where they publish and maintain these rates.

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### Card Scheme Fees

These are the charges levied by the Card Schemes on the acquiring member. So for each acquirer who holds membership / a licence to process cards from the schemes there are charges levied for every transaction processed. There are additional, and multiple fees that relate to the types of transactions processed. In general the basis for these fees and the rates charged are based on the volume of processing that the member / licence holder has with the individual card scheme.

#### Processing Value and Clearing Volume

- These are applied to every transaction processed at a % for Value and a per item cost for Volume.
- So every transaction has a base cost of both a % and a per-item cost.

### Acquiring Charges

These are the charges agreed to with your acquiring bank and usually come in the form of an ad valorem % rate. They represent the cost of the service provided, relative to the authorisation capture and subsequent funding of transactions processed on behalf of the merchant.

### Cost Plus Pricing

Cost plus pricing is the transparent pass through of each of the cost elements as outlined above, while the elements in relation to the Interchange and Card Scheme Fees may vary depending on a number of factors the Acquiring charge (Charge Amount) element will remain fixed as per your agreement.