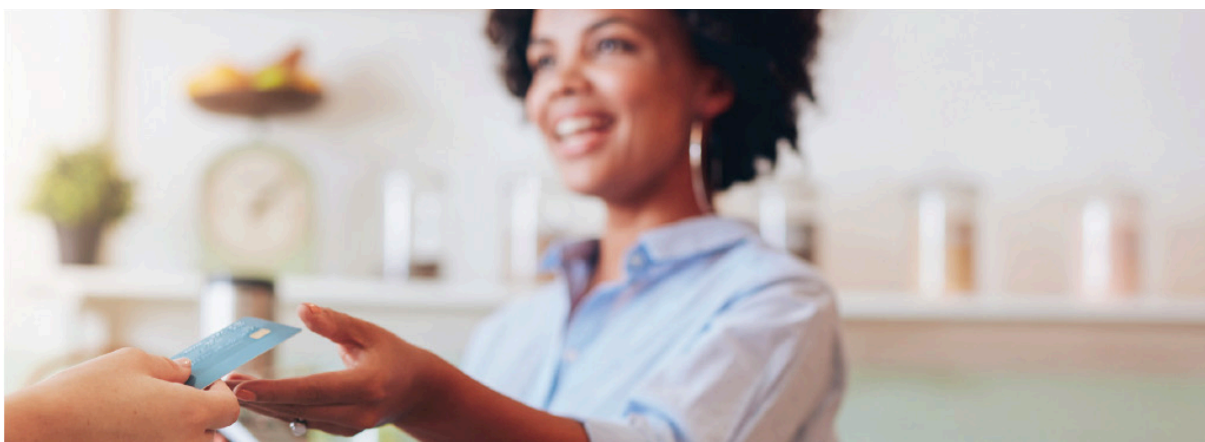# VISA

Visa Partial Authorization Service
Improve the Customer Experience and Increase Sales

Visa prepaid and debit cards are popular forms of payment at the register. But what happens if they do not have enough funds to cover the full transaction amount? Visa's Partial Authorization Service provides an alternative to declining a transaction when the card's available balance is not sufficient to approve a transaction in full. Participating issuers return an authorization response with an approval for a portion of the original amount requested, enabling the remainder of the transaction amount to be paid by other means using split-tender functionality.

Benefits of Using Visa Partial Authorization Service

Potential increase of +25 basis points in authorization approval rates[1]

More than 140 million transactions approved annually[2]

Merchants can…
- Complete more sales
- Reduce authorization declines
- Keep checkout lines running smoothly
- Keep customers happy by allowing them to use their desired payment method

Consumers can…
- Use all available funds on their prepaid or debit card
- Complete a purchase seamlessly by using another form of payment to supplement available funds
- Avoid the embarrassment of being declined at point-of-sale when they're unsure of their remaining balance

How it Works
1. Customer presents a Visa card to pay for the purchase.
2. The participating merchant sends out the authorization request, which includes the Partial Authorization indicator.
3. When the card's balance is less than the purchase amount, the issuer sends back an authorization response with a unique response code and the available balance as a partial amount approved.
4. Merchant identifies the unique response code, subtracts the partially approved amount from the total transaction amount, and requests another form of payment, using split-tender functionality.
5. Customer pays the remaining amount of purchase with another form of payment, depending upon the merchant's policies and device capabilities.
6. Merchant completes the sale and prints a receipt showing each payment amount.
7. Customer is satisfied with a seamless process.

If the customer does not wish to complete the sale, the merchant should initiate an authorization reversal.

Merchant Best Practices

To optimize acceptance of Visa prepaid cards and debit cards, merchants should consider these best practices:

Merchant Transaction Type	Acceptance Best Practices
Restaurants and other tipping environments	• Submit authorization request for full purchase amount (tip not included) with the Partial Authorization indicator. • In full-service environments, when the authorization is partially approved, the POS system should print out two receipts—one showing the partial authorization transaction (without a tip line), and a second receipt showing the remaining amount due plus a tip line to indicate it is still outstanding. • Request another form of payment for the remaining amount. • Submit clearing transactions only for the amount partially approved—this is the maximum amount of issuer liability, and there is no tip tolerance allowed on partially approved amounts.
Automated Fuel Dispenser *$1.00 status check transaction*	• Dispense only the amount partially approved by the issuer and instruct the pump to shut off when that value is reached. • Ensure that the amount submitted for clearing and settlement is the amount of fuel pumped, which may be less than the partially approved amount. • Ensure that the partially approved amount is clearly identified in the Authorized Amount field in the clearing transaction, instead of a value of $1.00 as is the case in transactions that were fully approved.
eCommerce	• Partial authorization works the same way as face-to-face transactions: upon receipt of a partial approval, present the customer with an option to pay for the balance with another form of payment. • Ensure customer-facing pages clearly communicate why there is an outstanding balance and what amount will be charged to the additional form of payment. • Submit clearing transactions only for the amount partially approved—this is the maximum amount of issuer liability, and there is no 15% tolerance allowed for shipping costs.

FAQs

Visa introduced the Partial Authorization Service in 2005 to enhance the acceptance and approval of Visa card programs at participating merchants. The Partial Authorization Service is intended to assist in addressing declines due to insufficient funds and to enhance the cardholder and merchant experience at the point of sale.

How will merchants know how much additional tender is needed?

To support partial authorization, merchants must enable split-tender functionality. An enabled electronic cash register (ECR) system will subtract the partially approved amount from the transaction total to show the additional amount needed.

If the merchant terminal is stand-alone (not integrated with the cash register), the merchant will need to ensure that cashiers are trained to recognize a partial approval response (Reason Code 10), calculate the remaining amount due, and ask for additional tender to complete the sale.

Who is required to support partial authorization?

All Visa prepaid issuers and all acquirers are required to support partial authorization, and an increasing number of debit issuers support the service as well.

On the merchant side, the service is required for:

• U.S. merchants with Automated Fuel Dispensers (AFDs) that participate in real-time clearing
• U.S. and U.S. territory merchants that provide cash back at the point of sale
• U.S. merchants that process aggregated transactions

It is optional for all other merchants. However, many merchants already participate, including most U.S. AFDs, supermarkets, and pharmacies & drug stores, as well as many other large merchants in a diverse range of segments.

What happens if the merchandise is returned?

Merchants will process a Visa merchandise credit for just the partially approved amount. The amount purchased with another form of payment will be processed in accordance with the merchant's return policies.

Can cash-back amounts be partially approved?

Merchants are not allowed to apply partial approvals to cash-back amounts. Merchants can only apply a partial approval to the purchase amount.

Does the Partial Authorization Service work with contactless transactions?

Partial Authorization does support contactless transactions, and they are processed the same as a contact chip or magnetic-stripe transaction.

How does a merchant know when to set the value of '1' in Field 60.10—Partial Authorization Indicator?

After being certified for partial authorization support, merchants set Field 60.10—Partial Authorization Indicator to a value of '1' in all authorization request messages for acceptance devices that have been programmed to support partial authorization. This value enables issuers to recognize that the merchant acceptance device is able to support a partially approved amount with split-tender capabilities.

Note: Field 60.10 is an acceptance device-level field. Acquirers must not assign a value of 1 in an authorization request messages for acceptance devices that do not support split-tender capabilities.

A cardholder initiates a Visa transaction for $95.50 worth of merchandise but only has a balance of $75.30 available. What happens when partial authorization is supported?

At the time of checkout, the merchant would not be aware of the cardholder's balance. Once the items being purchased are totaled, the merchant would send an authorization request with the following values:

Authorization Request	Value	Notes
Field 4—Transaction Amount	$95.5	Purchase amount
Field 60.10—Partial Authorization Indicator	1	Indicates merchant supports partial authorization

If the cardholder only has $75.30 available, the issuer will return an authorization response with the following values:

Authorization Response	Value	Notes
Field 4—Transaction Amount*	$75.30	Partially approved amount
Field 39—Response Code	10	Indicates partial approval
Field 54—Additional Amounts • Amount Type • Amount	 57 $95.50	 Indicates original amount Original transaction amount

* If issuer participates in multi currency, the value of $75.30 would appear in Field 6—Amount, Cardholder Billing.

The deposit for Clearing and Settlement in this case would be:

Clearing Message for Partially Approved Transactions	Value	Notes
TCR 5 position 20-31	$75.30 (Partially approved amount)	Improper value in the authorized amount field may negatively impact interchange qualification as well as lead to a Transaction Integrity Fee (TIF) on impacted debit transactions.

When do merchants use reversals versus merchandise returns?

Participating merchants generate partial authorization reversals (0400/0420 message) when:

• The cardholder does not offer additional funds to complete a split tender purchase and the sale is canceled.

• A cardholder abandons a sale at an AFD, and no fuel has been dispensed.

• The transaction is subsequently voided or cancelled.

To Learn More About the Service

Work with your acquirer to review the *Visa Partial Authorization Service Description and Implementation Guide,* which provides an overview of the Partial Authorization Service and transaction processing flows, as well as key implementation considerations. The guide also discusses transaction requirements, including applicable fields and values, and summarizes Visa-recommended best practices.

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