

Visa Advance Payment Transactions



Pay now and get later



Know Your Terms

Advance Payment¹ is a transaction for the partial or full cost of goods or services that will be provided to the cardholder at a later time.

Stored Credential is information (including, but not limited to, an account number or payment token) that is stored by the merchant (or its agent) to process future transactions.

Enabling solutions to facilitate commerce

Options for ordering and receiving merchandises have grown exponentially in the last few years. Customers enjoy the increased options—the opportunity to shop and order anytime and anywhere (in-store, ecommerce, telephone, mobile web, or mobile app) and to select how they receive the merchandise (pick-up or delivery).

Merchants take advantage of the opportunity for expanded sales and increased customer satisfaction. However, these expanded options have led to an evolution of the rules for accepting and processing order payments and for delivering goods. In this document, Visa offers some guidance and best practices to support merchants and offer consumers a buying experience that is convenient, seamless, and secure for advance payment transactions.

Typical Scenarios

Here are some examples of merchant provided services where a Visa cardholder may make a partial or full advance payment. A cardholder may:

Purchase goods in-store for later delivery

- Purchase a big screen TV in a store but is not able to take it at the time of purchase and requests that it be delivered.
- Want to purchase a pair of shoes that the store does not have in stock. The merchant offers to obtain them from another store and deliver them to the customer.



¹ Effective January 25, 2020 new rule for Advance Payment (ID#0030637).

Order online for in-store pickup

- Order items online and then pick-up the merchandise at the store at a later time. With proper purchase transaction information to validate the purchase, the cardholder or designated person is able to conveniently pick-up the items.



Order online for future services

- Purchases a travel excursion package for an upcoming vacation. Many cruise lines offer travel excursions that can be pre-purchased to guarantee a reservation.



Program Requirements

For merchants interested in participating in advance payment processing, please note that this type of transaction contains certain program requirement: proper disclosure to the cardholder and cardholder consent, transaction processing, retention of payment, receipt requirements, refund policy and cancellation procedures.

Note: Merchants or parties interested in storing cardholder information for payment at a later time should contact their acquirer and refer to Visa Rules for more information on Store Credential² processing requirements.

The table provides highlights of Visa's global rules on advance payment.

	Advance Payment - Full	Advance Payment - Partial
Eligible Purchases	Any of the following: <ul style="list-style-type: none"> Travel and entertainment; recreational services and activities related to tourism and travel Custom merchandise or services During face-to-face transactions, items purchased are immediately available but will be delivered or provided at a later date 	Any
Cardholder Disclosure & Consent	When entering into a cardholder agreement, all requirements related to the specific transaction type listed below must be clearly displayed at the time that the cardholder gives their consent and must be displayed separately from the general purchase terms and conditions. The merchant must provide, and the cardholder must consent to, all of the following in writing at the time of payment: <ul style="list-style-type: none"> Description of promised merchandise or services Terms of service Timing of delivery to cardholder Transaction amount Date and time that any refund privileges expire without prepayment forfeiture Cancellation and refund policies Total purchase price Any other charges (e.g., taxes) 	In addition, the following: <ul style="list-style-type: none"> Terms of final payment, including the amount and currency
Processing	The merchant must comply with all the requirements applicable to the transaction type.	The authorized online amount must not be greater than the amount of the individual transaction. If an authorization request for a subsequent payment is declined, the merchant must notify the cardholder in writing and allow the cardholder at least seven (7) days to pay by other means.
Retention of Payment	If the cardholder does not cancel within the terms of the cancellation policy, the merchant may retain the full prepayment only if the merchant has disclosed on the transaction receipt that the prepayment is nonrefundable.	If the cardholder does not pay the balance and does not cancel within the terms of the cancellation policy, the merchant may retain the partial prepayment only if the merchant has disclosed on the transaction receipt that the prepayment is nonrefundable.

² Visa Core Rules and Visa Product and Service Rules: Requirements for Partial Payments, Advance Payments and Transactions Using Stored Credentials.

	Advance Payment - Full	Advance Payment - Partial
Receipt	<ul style="list-style-type: none"> • Full cancellation and refund policy, including the date and time that any refund privileges expire without Advance Payment forfeiture • Advance Payment transaction amount • Scheduled start date or delivery date of the goods or services • The word(s) "Advance Payment" or "Prepayment" • For cancellations, cancellation confirmation 	<ul style="list-style-type: none"> • Full cancellation and refund policy, including the date and time that any refund privileges expire without Advance Payment forfeiture • Advance payment transaction amount • The word(s) "Advance Payment," "Deposit" or "Partial Payment" if there is an outstanding balance • For balance payments, the word "Balance" if the full remaining cost of the goods or services has been paid • For cancellations, cancellation confirmation
Refund & Comparable Substitute	The merchant must refund the full amount paid if the merchant has not adhered to the terms of the sale or service.	
Cancellation	<p>If the cardholder cancels within the terms of the cancellation policy, the merchant must provide both of the following to the cardholder:</p> <ul style="list-style-type: none"> • Cancellation or refund confirmation in writing • Credit transaction receipt for the amount specified in the cancellation policy 	

For More Information

Please contact your merchant bank or visit www.Visa.com for a copy of *Visa Core Rules and Visa Product and Service Rules* and additional educational materials.