Fees

Automatically apply customer fees to your card products

The Thredd system provides flexible options for setting up and applying card usage and administration fees to the cards in your program.

The Thredd fees module enables you to use the Thredd system to automatically apply customer fees to your card products.

Thredd fees are configured for your program using *Fee Groups*. These groups are currency agnostic and you can define the fee currencies that apply to the group. You can specify multiple fee groups for your card program to reflect different cardholder product offerings or different country options, and link each card to a set of fee groups. Each fee group defines the types of fees that are applicable to a card. The Fees module is supported on all EHI transaction processing setup options and is ideal for customers using EHI Full Service Processing, where Thredd maintains the card balance[1].

Features

Card Usage Fees

- Defines fees that are charged to a card on a per transaction basis when the card is used (e.g., at an ATM, website or merchant terminal) or when a payment is made out of the account.

Recurring Fees

- Defines fees that are charged to a card on a recurring basis (e.g., monthly, annually or over a defined period).

API Usage Fees

- Defines a fee that is charged to a card on a per transaction basis for a card transaction which uses the Thredd API . Transaction include a card renewal, payment or transfer into the card account or balance enquiry.

Ad-hoc Fees

- Can be applied at any time to a specified card in your program, to collect a specific one-off charge that needs to be applied, such as a Chargeback.

Benefits

Business Facing

- Automatically apply fees to your card products
- Flexible and granular application of fees to meet your business requirements
- Apply fees based on the type of transaction
- Implement recurring fees (e.g., subscriptions)
- Advanced fee configuration, based on different combinations of country and currency.
- Support both automated and ad-hoc application of fees

Customer Facing

- Apply different fees for domestic, international and Foreign Exchange (FX) transactions
- For transaction processing setup options where Thredd provides authorisation and maintains the card balance, Thredd apply the fee and update the card balance for you
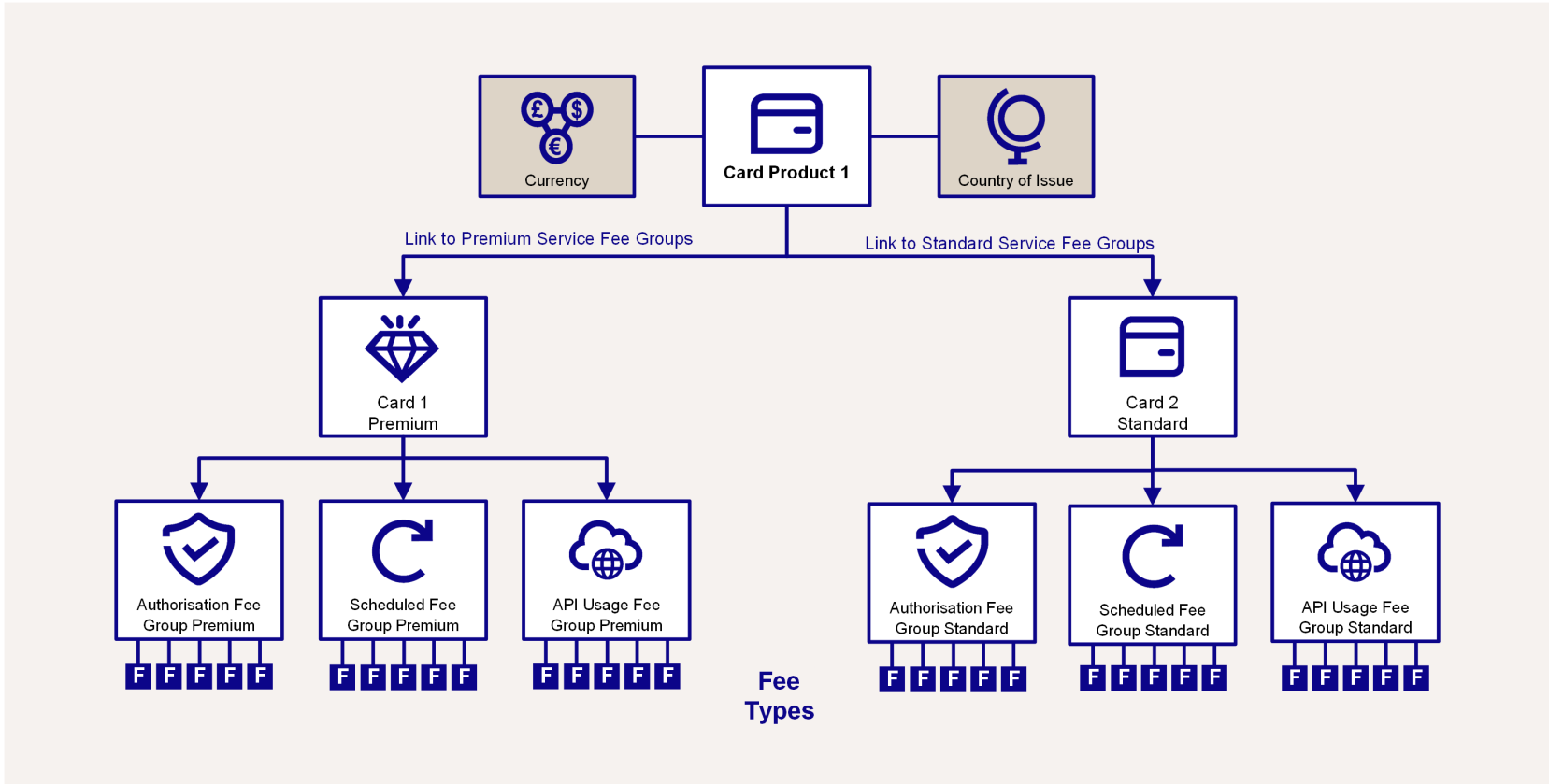- View applied fees in transaction messages and on Smart Client

Fee Options

- Separate fees can be applied for domestic transactions, overseas transactions and Foreign Currency (FX) transactions
- Your fees can be for a fixed amount or a percentage of the transaction cost.
- You can set a minimum and maximum cap to the fee.
- You can define thresholds for when to trigger the fee.
- You can define whether to allow partial fees, in the event that the card does not have sufficient funds to apply the full fee.

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[1]Some restrictions may apply for EHI Gateway Processing and Cooperative Processing setup. For details, check with your Account Manager.
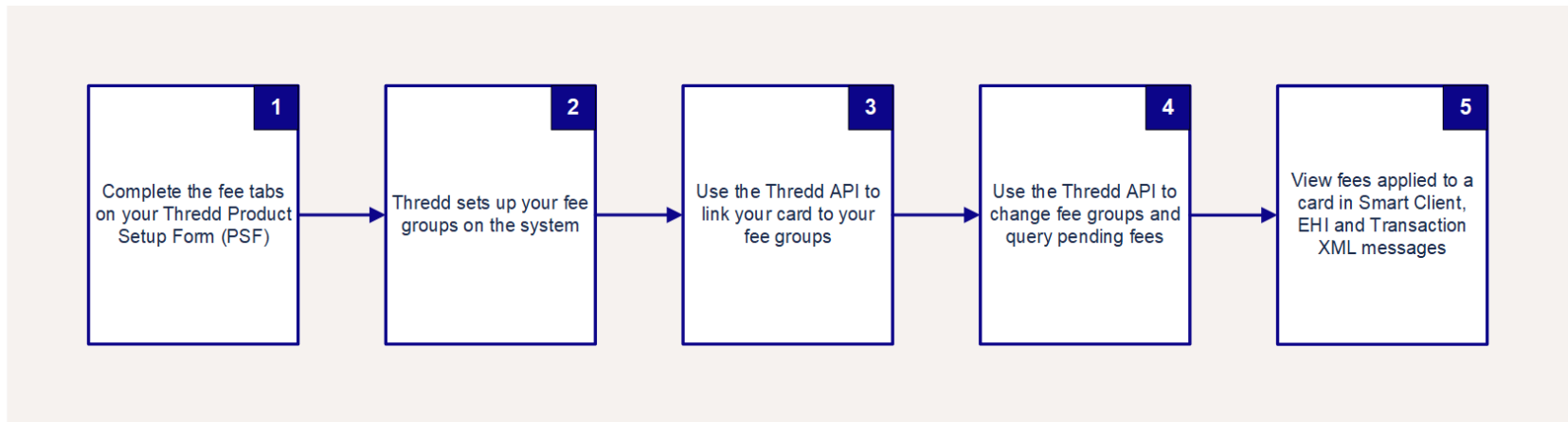
Applying Fees to Card Products

See the figure below describing the application of fees to your card products.

How it works

The figure below provides an overview of how fees are applied when a card is used.

1. The cardholder uses their card at a Point of Sale (POS) Terminal, ATM or online merchant website.

2. The merchant website, POS terminal or ATM sends an authorisation request, via their acquirer, to the card scheme.

3. The card scheme (Card Network) sends the transaction to Thredd.

4. The Thredd Message Processing System (MPS) processes the transaction. The MPS validates the card, looks up the card's usage group to verify that the transaction is permitted and then authorises the transaction (if using EHI Full Service Processing). Alternatively, the MPS forwards the card to your systems for authorisation or to confirm authorisation approval (with EHI Gateway Processing and Cooperative Processing). Thredd identifies the type of transaction based on the processing code in the message, checks the fee groups linked to the card (each fee group defines the type of fee, fee currency and amount) and calculates the correct card product fees.

5. Thredd provides real-time authorisation messages and financial notifications via the External Host Interface (EHI), which include details of fees applied to cards.

Notes

- API Usage fees are triggered whenever you use any Thredd API that you have configured to charge fees (e.g., to replace or renew a card).

- Recurring fees are triggered when the system identifies a recurring fee is due on a card, based on the recurring free group dates you have set up for your cards.

- At any stage you can use the Thredd API to change the fee groups linked to a specific card.

Setup At-a-Glance

Below is a high-level view of the setup steps.

1	2	3	4	5
Complete the fee tabs on your Thredd Product Setup Form (PSF)	Thredd sets up your fee groups on the system	Use the Thredd API to link your card to your fee groups	Use the Thredd API to change fee groups and query pending fees	View fees applied to a card in Smart Client, EHI and Transaction XML messages

Fee Setup Options

Below are examples of the types of fee settings that can be applied to card transactions. For more information, see the *Fees Guide*.

Fee	Description
Fixed fee	Fixed amount to apply to the transaction.
Rate (%) fee	Percentage of the transaction amount to apply.
Minimum fee	Minimum fee to apply.
Cap Fees	Maximum fee to apply.
Decline Fee	Apply a fee for a declined authorisation.
Allow Partial	Apply a partial fee if the card does not have sufficient funds to cover the full fee.
Allow Multiple Fees	Allows you to define different fees for lower-level transactions of the same type. This means that they have the same first two digits in their processing code.
Threshold amount	Select the threshold type to trigger the fee, for example, less than a specified threshold amount.
Number of free transactions	The number of free transactions allowed before the fee is triggered.
SMS fee	The fee to be charged for any SMS notification messages sent to the cardholder for this type of transaction.

Note: In addition to Thredd's basic authorisation fee configuration, our advanced fee configuration options (Cross-Border and FX Fees) provide a more granular application of fees, suitable for more complex fee configurations, based on different combinations of country and currency.

FAQs

Q. Can I set up default fees to apply to all my cards?

Yes. You can set up default fee groups, to apply to all cards within a card product. When creating a card using the Create Card API, if no fee is specified, then the default fee groups for the card product are used.

Q. How do I set up the fees for a specific card?

When setting up your card program, you must set up your fee groups on your *Product Setup Form*. When creating a card using the Create Card API, you can specify the fee groups to apply to the card.

Q. Can I set up recurring fees?

Yes. You can apply a recurring account fee, deducted on a repeat basis (e.g., monthly or annually). You can also apply separate recurring fees for dormant accounts, where the card has not been used for a period.

Q. Can I apply a one-off fee?

Yes. You can use the *Generic Fees* API to apply a one-off fee to the card (for example, to reflect a chargeback cost).

Q. What happens if there are insufficient funds available to apply a fee?

If you have enabled *Partial Fees*, Thredd deduct a part of the fee amount and creates a Pending Fee Record. If you have not enabled *Partial Fees*, the transaction is declined.

Q. Can fees result in the card going into a negative balance?

No. Thredd cards provide a balance and a spending limit equal to the available balance. Thredd will not deduct a fee if it takes a card into a negative balance. If insufficient funds are available on a card to cover your card transaction and administration fees, Thredd can create a pending fee record. Thredd also enables you to specify that a partial fee amount is taken if insufficient funds are available to take the full fee.

Q. Where are transaction Fee details provided?

Transaction fee details are provided in the daily XML reports, EHI data feeds and on Smart Client.

Q. How can I find out how a transaction Fee was calculated?

First identify the type of transaction and the processing code linked to the transaction. Fees triggered by an authorisation or a Thredd API are based on the processing code. The description field for the transaction may provide additional information about the fee.

Q. Where can I find out more?

For more information, refer to the Fees Guide or contact your Account Manager.

Contact Us

Please contact us if you have queries relating to this document. Our contact details are provided below.

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