



Authorisation Fees Quick Reference

Note: Region: Europe / APAC / MENA / US

Overview

Authorisation fees are a charge which Thredd can set up to automatically apply to a card account for processing of a payment transaction when the card is used for certain types of transactions. This fee only applies to real-time messages which Thredd receives from the card scheme and not to clearing messages.

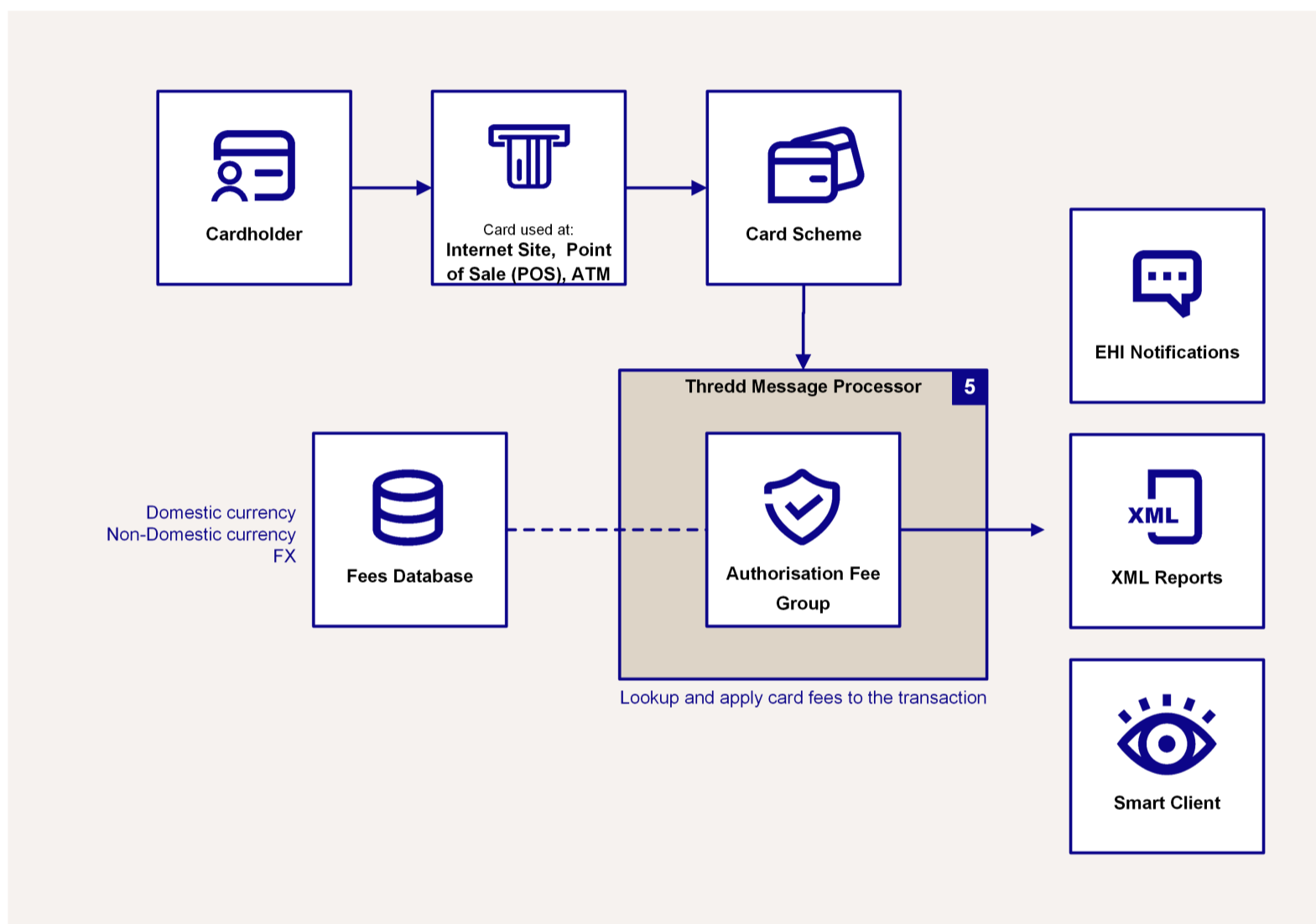


Figure 1: How Authorisation Fees Work

This service can be used by program managers to generate revenue off transactions or cover the costs of processing the transaction. For example, an authorisation fee can be applied to a payment transaction to cover ATM usage charges, PIN changes, balance enquiries or currency conversion fees for non-domestic currency purchases.

Note: Authorisation fees are available to program managers using the Thredd Fees service, and is best used in modes where Thredd maintains or has the latest available card balance at the time of the transaction (such as mode 3; for details see the [External Host Interface \(EHI\) Guide > EHI Operating Modes](#)).

In addition to authorisation fees, other types of card fees can also be applied, such as *recurring fees* (for subscription payments) and *web services fees* (for using the cards for certain types of online transactions). For more information on how Thredd fees work and are set up, see the [Thredd Fees Guide](#).

Authorisation fee groups

Authorisation fees are organised into authorisation fee groups. Each fee group will consist of one or more *fee types*, which define what fees to apply to transactions.

The fee groups trigger payment of authorisation fees when a card linked to the fee group is used for specified types of transactions, such as ATM withdrawals and purchases in a non-domestic currency.



Multiple authorisation fee groups can be defined, for example, to reflect fees for using specific currencies or where a card programme charges different card usage fees depending on the type of card¹.

Authorisation fee types

Authorisation fee types can be set up for each type of transaction message received from the card scheme.

The fee types are based on the transaction processing code in the message. A transaction processing code is a six digit number which the card scheme provides to indicate the type of transaction and direction of payment. It consists of three two-digit elements:

- **type of transaction** - such as a purchase, withdrawal, balance enquiry or refund
- **source account type** - type of account from which funds are being taken (e.g., cheque, credit or savings - applicable to some countries, where the cardholder can specify the account linked to the card from which funds are to be taken)
- **destination account type** - type of account to which funds are paid (e.g., cheque, credit or savings)

Note: For a list of authorisation fee types, see the [Fees Guide > Authorisation Types](#).

Examples

[000000] for a purchase

[010000] for ATM withdrawals and Maestro cash disbursement

[200000] for a refund

[300000] for a balance enquiry

From a Thredd fee processing perspective, the first two digits, which indicate the transaction type, are the most important and are used as the primary means to identify whether a fee should be applied to a transaction.

The source and destination account type, displayed in the next digits of the processing code, is determined by the acquirer (set at the terminal by the cardholder or specified by the acquirer). The default account type is "00".

See the figure below for details of how the processing code is used to check for and apply a fee.

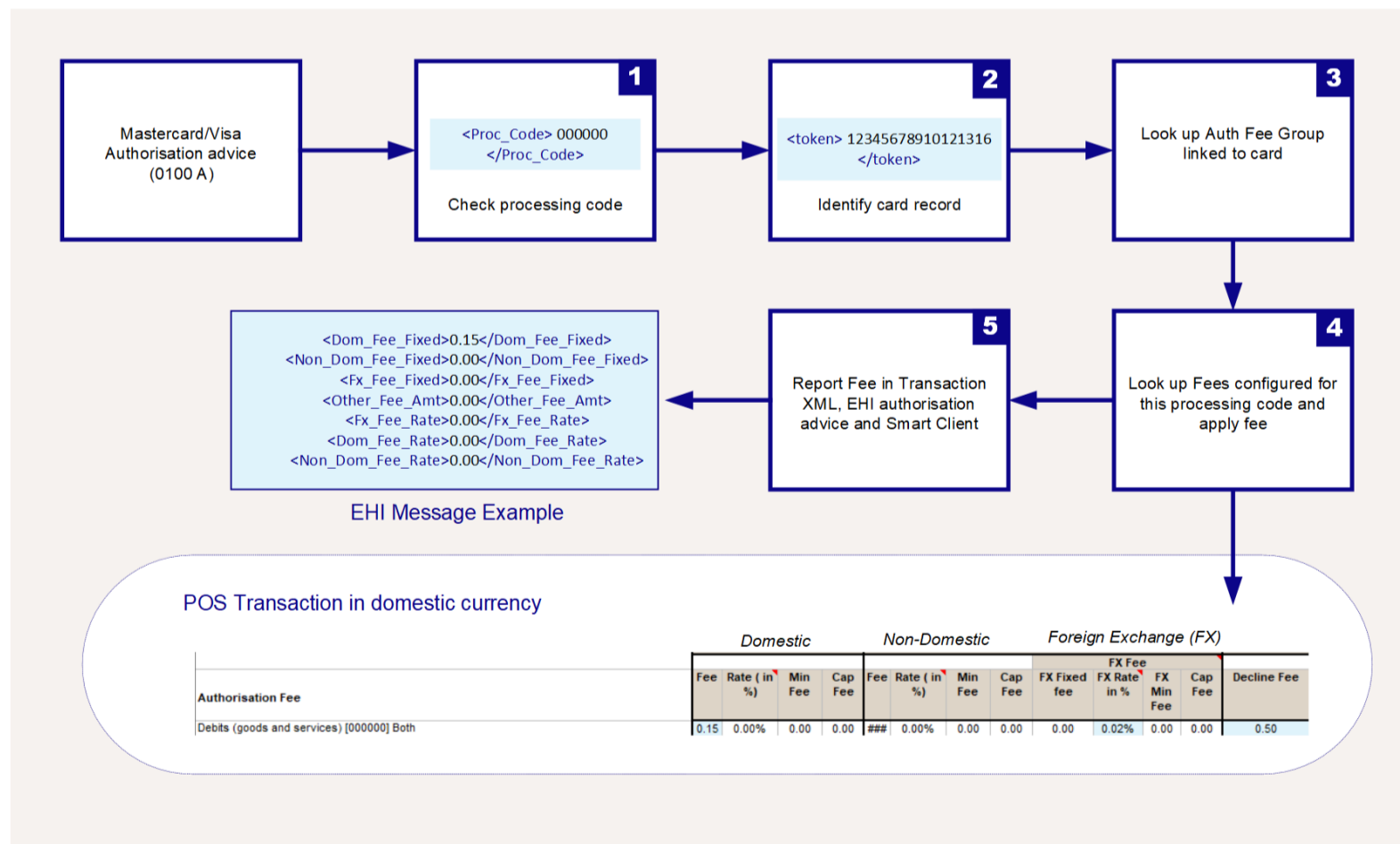


Figure 2: Applying fees to a transaction

¹As an example of using fees groups to differentiate a service, the program manager may offer a premium card, which has reduced transaction fees for cardholders who upgrade from the standard card. More common is where the program manager offers their cards in multiple countries and sets up separate fee groups to reflect the costs of processing transactions in that country or currency.



Applying multiple fees

By default, fees are processed per transaction based on the first two digits of the processing code. It is possible to set up fees based on processing sub-codes (such as the third and 4th digits in the transaction code), by enabling the **Allow Multiple Fees** option. See the payment transaction processing code examples below:

- Debits (for ATM withdrawals, or for cash disbursements using Maestro cards) [010000]
- Withdrawal with Savings account [011000]
- Withdrawal with Checking account [012000]
- Withdrawal with Credit Card account [013000]
- Withdrawal with Universal Account [014000]

Note: This option is only relevant to processing in certain regions and is disabled by default.

Applying fees based on Decline Codes

The ability to set a fee based on a decline code only applies to real-time transactions where Thredd or the program manager must make a decision to approve or decline the transaction (such as 0100 authorisation requests and 0400 reversal request messages).

You can define which Response Codes trigger a fee when the transaction authorisation request is declined. For example, if the decline is due to insufficient funds on the card or the card has been reported as lost or stolen.

Note: Defining response codes is only necessary if a decline fee is required for the programme. If you do not define any response codes, then no fees will be applied to transactions which are declined.

Only necessary if DECLINE FEE is a requirement of the programme

Response Codes
<i>Pick from drop down lists below</i>
01 Refer to card issuer
05 Do not honour
06 Unspecified error
08 Honor with identification
10 Partial Approval
12 Invalid Transaction
13 Invalid amount

Figure 3: Response Codes Decline Fee

For a list of available Thredd decline codes, see the [Fees Guide > Response Decline Codes](#).

Next Steps

1. Read the [Thredd Fees Guide](#), to make sure you understand how the Fees service works and what fees can be configured for your programme.
2. Discuss your fee requirements with your Thredd Implementation Manager.
3. Review the fee group set up in your Product Setup Form (PSF). See [Configuring authorisation fees](#).
4. Thredd will share the PSF with your issuer for their approval.
5. Your Implementation Manager will implement the authorisation fees on the Thredd system.
6. If you have more than one fee group, then use the web services or Cards API to link your cards to the relevant fee groups.
 - For details of viewing and linking fee groups using web services, see the [Fees Guide > Fee Maintenance](#).
 - For details of viewing and linking fee groups using the Cards API, see the [Cards API Website > Managing Card Usage Groups](#).



Configuring Authorisation Fees

Note: Region: Europe / APAC / MENA / US

This section describes how to configure authorisation fees.

Authorisation fee groups

See the figure below for an example of an authorisation fee group, set up on the **Auth Fee** tab of the Product Setup Form (PSF).

AUTHORISATION FEE GROUPS																				
Group Name: <input type="text"/>										Thredd Code: <input type="text"/>										
Multi FX Fee Group (select Y/N) <input type="text"/>																				
Authorisation Fee (Select from drop down menu)	Domestic - base card currency				Non-Domestic - non base card currency						Various (Applicable to Dom and Non Dom)					ONLY APPLICABLE for MultiWallet Setups				
	Fee Rate (in %)	Min Fee	Cap Fee	FX Rate (in %)	Min Fee	Cap Fee	FX Fixed fee	FX Rate in %	FX Min Fee	Cap Fee	Decline Fee (enter amount & complete column AB)	Allow Partial (select Y/N)	Allow Multiple Fees (select Y/N)	Threshold type	Threshold amount		No of free tx/month	No of free tx/Activation	SMS fee	Currency
Debits (goods and services) [000000] Both	0.00	0.00%	0.00	0.00	0.50	0.00%	0.00	0.00	0.00	0.00%	0.00	0.00			0				0.00	
Debits (for ATM withdrawals, or for cash disbursements using Maestro cards) [010000] Both	1.00	0.00%	0.00	0.00	3.00	0.00%	0.00	0.00	0.00	0.00%	0.00	0.00			0				0.00	
Balance inquiry service [300000] Both	0.20	0.00%	0.00	0.00	1.50	0.00%	0.00	0.00	0.00	0.00%	0.00	0.00			0				0.00	
PIN change transactions [700000] Visa	0.50	0.00%	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%	0.00	0.00			0				0.00	
	0.00	0.00%	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%	0.00	0.00			0				0.00	

Figure 4: Authorisation Fee Groups

How to use the Authorisation Fee Groups Form

Your implementation manager completes this form:

1. The **Group Name** field displays the unique name of the fee group.
2. The **Thredd Code** field displays the internal Thredd fee code.
3. The **Authorisation Fee** types are listed in column C, in the row under **Authorisation Fee** (select from drop-down menu).

Each authorisation type is listed as its own row in column C. The **down** arrow enables you to view and select additional authorisation fee types if required.

4. For each row, the fees and fee options that apply to this authorisation fee type are shown. See [Configuring Authorisation Fees](#).

For additional information on how to complete the Authorisation tab on the PSF, see [Fees Guide > Completing your PSF](#).

Authorisation Fee Options

See the following table for descriptions of the relevant fields in the **Auth Fee** tab of the Product Setup Form. For further details, see the [Thredd Fees Guide](#).

Fee Option	Description
Domestic and Non-Domestic Card currency	
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.
Foreign Currency Exchange (FX) Fees	
FX Fixed fee	Fixed amount to apply to an FX transaction.



Fee Option	Description
FX Rate (%) fee	Percentage of an FX transaction amount to apply.
FX Minimum fee	Minimum fee to apply.
FX Cap Fees	Maximum fee to apply.
Various Fees	
Decline Fee	<p>Enter the amount and in column AB select the decline Response Codes that will trigger the decline fee. You can select multiple response codes. See Configuring Authorisation Fees.</p> <p>Note: if you do not select any response codes, then all the decline response codes can trigger the decline fee.</p>
Allow Partial	Whether to apply a partial fee if the card does not have sufficient funds to cover the full fee. Select YES or NO.
Allow Multiple Fees	<p>Allows you to define different fees for lower-level transactions of the same type (i.e., that have the same first two digits in their processing code). The default is <i>NO</i>. See Configuring Authorisation Fees.</p> <p>Note: This option should always be set to <i>NO</i>, unless required for agency banking or to support card processing in your region.</p>
Threshold type	<p>Select the threshold type to trigger the fee:</p> <p>> triggers the fee if the amount is greater than the specified Threshold amount</p> <p>< triggers the fee if the amount is less than the specified Threshold amount</p>
Threshold amount	Specify a transaction threshold amount to trigger the fee. For example: > 1.50. Any authorisation above this amount will trigger the fee.
No of free txn/month	Specify the number of free transactions allowed per month before the fee is triggered.
No of free txn/Activation	Specify the number of free transactions allowed once the card is activated before the fee is triggered.
SMS fee	Specify the fee to be charged for any SMS notification messages sent to the cardholder for this type of transaction.
Currency	Specify the 3-digit ISO currency code. Only applicable for Multi-Wallet setup.



Document History

Version	Date	Comment
1.2	25/06/2024	Updated the company address.
1.1	27/04/2023	Guide rebrand to new company name and brand identity.
1.0	08/12/2022	This is a new document, available in PDF only.

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