



Recurring Fees Quick Reference

Note: Region: Europe / APAC / MENA / US

Recurring fees are fees charged to a card on a recurring basis, for example monthly, annually or over a defined period.

This service can be used by program managers to generate revenue or cover the costs of providing their card service to their customers. For example, a recurring fee, for a fixed amount, can be applied on a monthly or annual basis.

The recurring fee is applied as described in Figure 1.

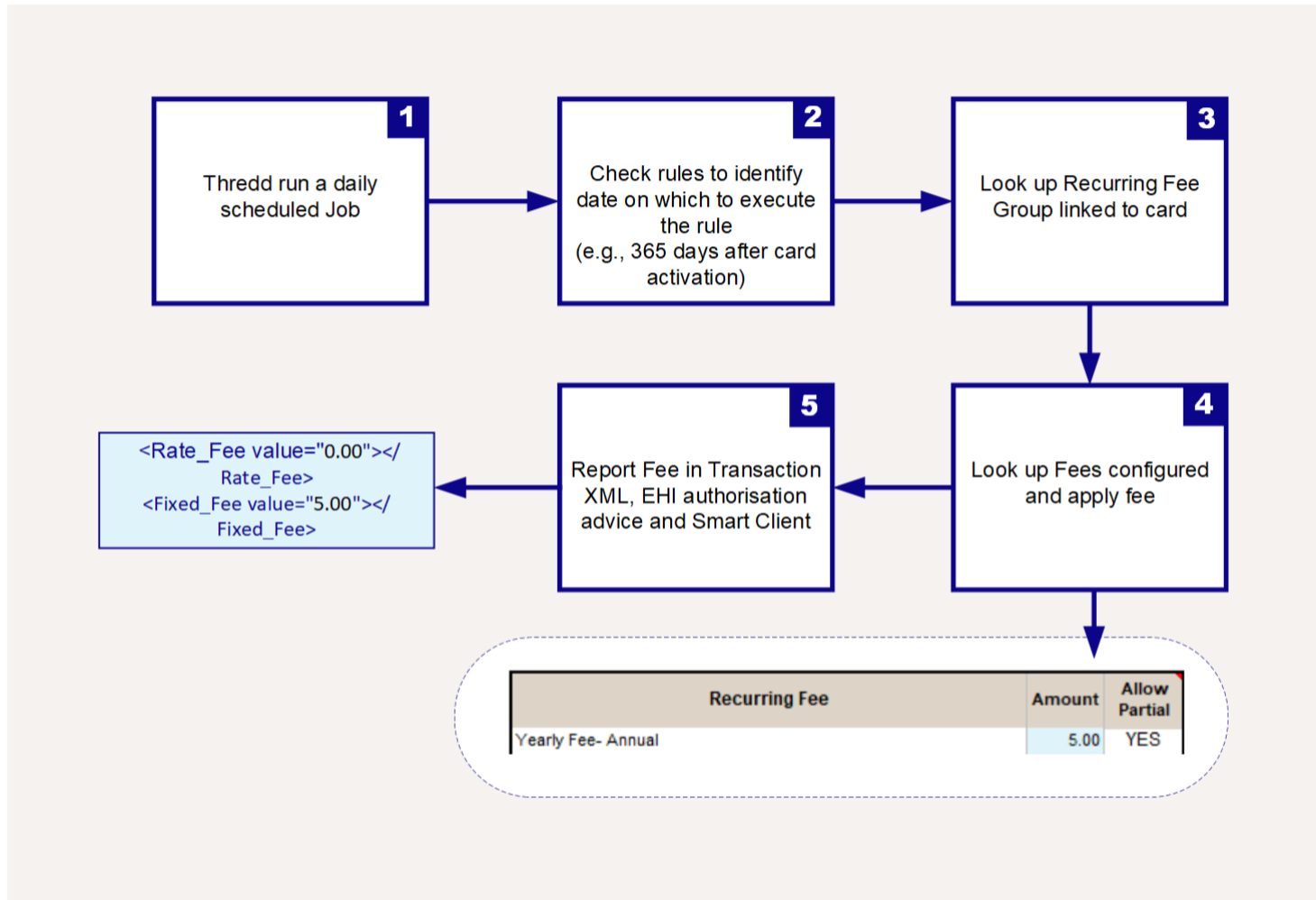


Figure 1: How Recurring Fees are applied

Note: Recurring fees are available to program managers using the Thredd Fees service.

In addition to recurring fees, other types of card fees can also be applied, such as *authorisation fees* (applied to specific types of payment transactions) 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](#).

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 recurring 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 Recurring Fees

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This section describes how to configure Recurring fees.

For further details, see the [Thredd Fees Guide](#).

Recurring fee groups

Recurring fees are applied on a recurring basis, based on the frequency you specify (e.g., monthly or annually).

Below is an example of one of the Recurring Fee groups set up on the **Recurring Fee Groups** tab on the Product Setup Form (PSF). You can have multiple **Recurring Fee Groups** set up for your program.

RECURRING FEE GROUPS			
Fee Group Name:		Thredd Code:	
Enable Pending Fees (select Y/N)			
Recurring Fee (Select from drop down menu)	Amount	Allow Partial Select Y/N	If non standard fee please define the exact criteria for how you want the rule to apply as our fees groups are built on a rules engine. If fee is considered non standard it could be chargeable and the development will be considered by our Design Authority Board Specify 1. What is the trigger 2. What is the Period 3. When does fee start 4. How should it compute the day of the month to charge on 5. How does fee stop 6. Does Fee continue after card expiry
Yearly Fee- Annual	5.00	NO	
Dormancy Fee 6 Months (Repeat 1 Month)	2.00	YES	
	0.00		

Figure 2: Recurring Fee Groups

A Recurring Fee group consists of a set of recurring fees configured for that group. For each recurring fee within a Recurring Fee group, you can define:

- The fee **Amount**.
- Whether to allow a **Partial Fee** to be taken if the available balance on the card is less than the full fee¹.

How to use the Recurring 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 **Enable Pending** field indicates whether pending fees are enabled².
4. The Recurring fee types are listed in column C, in the row under **Recurring Fee** (select from drop-down menu). See [Recurring Fee Types](#).
5. Each recurring fee type is listed as its own row in column C. The **down** arrow enables you to view and select additional recurring fee types if required.
6. For each row, the fees and fee options that apply to this recurring fee type are shown.

¹ Thredd fees cannot be taken if they will result in an account going into a negative balance. If you allow partial fees, the available balance on the card will be used to pay off part of the fee charge.

² If a fee cannot be taken due to insufficient funds, Thredd creates a Pending fee record.



Recurring Fee Types

Below is a list of recurring fees that you can set up. For more information on the rules around processing of recurring fees, see [Rules for Recurring Fees](#).

Recurring Fee Type	Description
Dormancy Fees	
Dormancy Fee 1 Months (Repeat 1 Month)	Fee applied when a card has not been loaded with funds or had any transactions during the past month.
Dormancy Fee 2 Months (Repeat 1 Month)	Fee applied when a card has not been loaded with funds or had any transactions during the past 2 months.
Dormancy Fee 3 Months (Repeat 1 Month)	Fee applied when a card has not been loaded with funds or had any transactions during the past 3 months.
Dormancy Fee 6 Months (Repeat 1 Month)	Fee applied when a card has not been loaded with funds or had any transactions during the past 6 months.
Dormancy Fee 12 Months (Repeat 1 Month)	Fee applied when a card has not been loaded with funds or had any transactions during the past 12 months.
Dormancy Fee 13 Months (Repeat 1 Month)	Fee applied when a card has not been loaded with funds or had any transactions during the past 13 months.
Dormancy Fee 24 Months (Repeat 1 Month)	Fee applied when a card has not been loaded with funds or had any transactions during the past 24 months.
Monthly Dormancy Fee - after card expires	Fee applied after a card has expired.
Activation Fees	
Monthly Fee - Activation	Activation fee is applied after the card is activated.
Monthly Fee - Activation Fee Taken 1st (1 Months After)	Activation fee is applied 1 month after the card is activated, on the 1st of the month.
Monthly Fee - Activation Fee Taken 1st (5 Month After)	Activation fee is applied 5 months after the card is activated, on the 1st of the month.
Monthly Fee - Activation Fee Taken 1st (6 Months After)	Activation fee is applied 6 months after the card is activated, on the 1st of the month.
Monthly Fee - Activation Fee Taken 1st (12 Months After)	Activation fee applied 12 months after the card is activated, on the 1st of the month.
Load Fees	
Monthly Fee - Following reload	Fee applied following a reload (only triggered once a card is reloaded).
Monthly Fee After Load (1 Month After)	Fee applied one month after a reload.
Monthly Fee After Load (1 Year After)	Fee applied one year after a reload.



Recurring Fee Type	Description
Inactivity Fees	
Monthly Fee - No transaction in last 2 days	Fee applied when there have been no transactions on the card during the last 2 days.
Monthly Fee - No transaction in last 90 days	Fee applied when there have been no transactions on the card during the last 90 days.
Monthly Fee - No transaction in last 120 days	Fee applied when there have been no transactions on the card during the last 120 days.
Monthly Fee - No transaction in last 180 days	Fee applied when there have been no transactions on the card during the last 180 days.
Monthly Fee - No transaction in last 365 days	Fee applied when there have been no transactions on the card during the last 365 days.
Monthly Fee - Last Day of Month	Monthly fee, applied on the last day of each month.
Monthly fee 8th of every month	Monthly fee, applied on the 8th day of each month.
Annual Fees	
Yearly Fee- Annual	Annual card management fee.

Note: Monthly fees apply to the main account only, not to sub-accounts.

Dormancy Fees

If configured, dormancy fees apply when a card has not been loaded with funds or had any transactions during the specified period. Certain types of transactions are excluded from the dormancy assessment, such as:

- ATM Balance enquiries
- ATM PIN changes and PIN unblock
- Fee adjustments
- Recurring fees

If one of these types of transactions has occurred during the dormancy period, the dormancy fee will still be applied.

Example of a Partial Fee

A customer using a card with balance £11.00, withdraws £10.00 at an ATM and there is an *ATM Withdrawal* fee for £2.00. The total cost of the transaction will be £12.00 (£10.00 + £2.00). The £10.00 will be withdrawn successfully but only a Fee of £1.00 will be charged.

If set to *NO*, the transaction will be declined for *Insufficient Funds*.

Fees on MVC and Multi-currency Cards

For an MVC or multicurrency cards, where there is a primary card and linked secondary cards, the recurring fee can be set to apply separately to each card/token, or taken from one of the cards. For example, if you have the following links cards:

- MVC primary card token: 123456789 (holds the main account balance)
- Sub-card token: 123456897 (is topped up when required from available funds in the primary card)

You can set up the fee to be deducted from the primary card

Customised Fees

If you want any customised fees, you will need to specify how you want the recurring fee to apply:

- What triggers the fee
- Fee start date



- Fee end date
- Fee period
- How to calculate the day of the month to charge on
- How does the fee stop?
- Does the fee continue after card expiry?

Note: Any development work required to implement any non-standard fee requirements may be chargeable. For details, check with your account manager.



Glossary

This page provides a list of glossary terms used in this guide.

A

Acquirer

The merchant acquirer or bank that offers the merchant a trading account, to enable the merchant to take payments in store or online from cardholders.

Authorisation

Stage where a merchant requests approval for a card payment by sending a request to the card issuer to check that the card is valid, and that the requested authorisation amount is available on the card. At this stage the funds are not deducted from the card.

C

Card Scheme

Card network, such as MasterCard or Visa, responsible for managing transactions over the network and for arbitration of any disputes.

E

External Host

The external system to which sends real-time transaction-related data. The URL to this system is configured within per programme or product. The Program Manager uses their external host system to hold details of the balance on the cards in their programme and perform transaction-related services, such as payment authorisation, transaction matching and reconciliation.

External Host Interface (EHI)

The External Host Interface (EHI) is a product providing clients either a real time feed or the ability to be involved in authorisations.

F

Fee Groups

Groups which control the card transaction authorisation fees, and other fees, such as recurring fees and web service API fees.

Fee Type

A card usage fee type that defines the fees that are applied to a specific type of transaction, such as a debit card payment or an ATM withdrawal. A Fee Group will consist of one or more fee types.

I

Issuer

The card issuer, typically a financial organisation authorised to issue cards. The issuer has a direct relationship with the relevant card scheme.

M

Merchant

The shop or store providing a product or service that the cardholder is purchasing. A merchant must have a merchant account, provided by their acquirer, in order to trade. Physical stores use a terminal or card reader to request authorisation for transactions. Online sites provide an online shopping basket and use a payment service provider to process their payments.

P

Partial Amount Approval

Some acquirers support a partial amount approval for Debit or Prepaid payment authorisation requests. The issuer can respond with an approval amount less than the requested amount. The cardholder then needs to pay the remainder using another form of tender.

Product Setup Form (PSF)

A spreadsheet that provides details of your account setup. The details are used to configure your account.



Program Manager

A customer who manages a card program. The program manager can create branded cards, load funds and provide other card or banking services to their end customers.

R

Recurring Fees Group

The Recurring Fees group defines fees that are charged to a card on a recurring basis (e.g., monthly, annually or over a defined period).

S

Smart Client

Smart Client is 's user interface for managing your account on the Thredd Platform. It is also called Smart Processor . Smart Client is installed as a desktop application and requires a secure connection to Thredd systems in order to be able to access your account.



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	17/01/2023	This is a new document, available in PDF only.