

GolleCard Acquiring Bank Services

As an Acquiring Bank, GolleCard processes credit or debit card payments on behalf of merchants, and allows merchants to accept credit card payments from the card-issuing banks.

When providing this type of service, we enter into a contract with a merchant and offer a merchant account. This arrangement provides the merchant with a line of credit. Under the agreement, GolleCard exchanges funds with issuing banks on behalf of the merchant and pays the merchant for its daily payment-card activity's net balance—that is, gross sales minus reversals, interchange fees, and acquirer fees.

Risk

GolleCard accepts the risk that the merchant will remain solvent. The main source of risk to us is fund reversals. Consumers can trigger the reversal of funds in three ways;

- A card refund is the return of funds to the consumer, voluntarily initiated by the merchant.
- A card reversal is where the merchant cancels a transaction after it has been authorized but before settlement occurs.
- A card chargeback occurs in a dispute between the merchant and the cardholder over the validity of the transaction. The cardholder may request the return of funds through the issuing bank for various reasons, including that the goods were not received or were faulty, or that the cardholder lacks knowledge of the transaction.

Our Risk Management System considers a participating merchant to be a risk if more than 1% of payments received result in a chargeback. GolleCard may levy fines or cancel merchant accounts with a high chargeback frequency.