



Transforming public sector payments





What is Visa?

Visa is a way to make and receive payments electronically.

Every day, millions of people use Visa – quickly, conveniently and safely. Visa Europe is a not-for-profit organisation, providing the brand, rules and technical services which enable electronic payments between millions of citizens, governments, businesses, banks and suppliers.

Our business is **built on trust**.
We are one of the world's most recognised brands, and the world's most trusted payments brand. In making money flow smoothly, we promote the responsible, safe and sustainable use of electronic payments, among government bodies, corporations, retailers and consumers alike.

Cut costs and boost efficiency with Visa

Every public sector body in every country is under pressure to maintain or grow services, whilst facing cuts.

The challenge is to achieve more and do better, with less. That means less time and money, and fewer resources, to achieve greater results.

As the public sector generates more payments than any other part of any European economy, so it has the most to gain from efficient payment methods.

A proven route to achieving this goal is to replace inefficient, manual payment processes with quicker, automated and controlled Visa payments.

Paying and being paid by Visa can help deliver real efficiency savings in government, helping to reduce the cost and complexity of:

- buying everyday goods and services (**procurement**)
- collecting payment from citizens and businesses (**acceptance**)
- distributing funds (**disbursement**)

We can also provide management information technology, enabling full reporting, transparency, compliance and accountability.

The benefits of Visa payments

Visa payments are efficient, creating clear records while reducing the administrative burden – allowing resources to be used more productively.

Visa is easy to use, replacing manual paper based payment with automated simplicity.

Electronic payments are both fast and secure, especially when protected by Visa's extensive range of fraud prevention technologies.

They are also a powerful tool for reducing Europe's shadow economy, estimated to be worth around €2.1 trillion per year. Research shows that lost government revenues decline as electronic payments increase.¹

¹AT Kearney/Visa Europe Shadow Economy White Paper 2010

We do not issue cards ourselves:
this is done by our members,
who package and deliver Visa
services to their customers.



Using Visa in the public sector

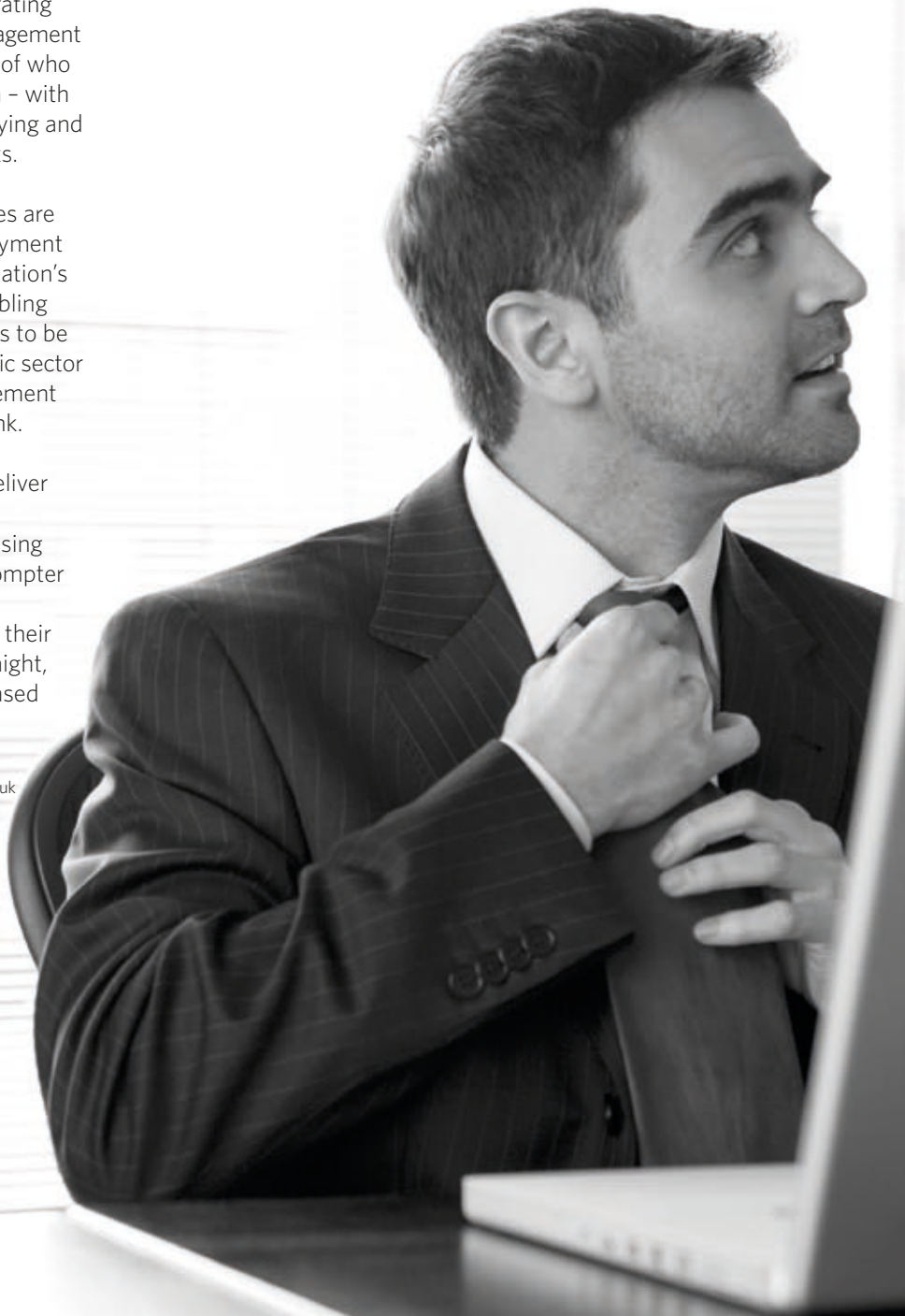
Procurement

Paying by Visa is as fast, convenient and safe for businesses and public sector bodies as it is for consumers. By adding and integrating powerful spend and performance management tools, any organisation can keep track of who is buying what, from whom, and when – with intelligent software proactively identifying and suggesting performance improvements.

Public sector procurement programmes are usually built around deferred debit. Payment settlement is debited from the organisation's accounts (typically every month), enabling suppliers and other payment recipients to be paid in as little as two days, whilst public sector payers typically enjoy a deferred settlement period with their Visa card-issuing bank.

Deferred settlement can potentially deliver huge savings, generating income from interest-bearing deposits, while increasing liquidity and cash flow benefits via prompter payments in the supply chain. If every European government body moved all their payments to Visa deferred debit overnight, tens of billions of euros would be released directly into the economy.²

² 2008 FreshMinds Research Ltd – www.freshminds.co.uk



Accepting payment cards

By accepting Visa, public sector bodies make it easy for citizens and businesses to pay rent, rates, tax, court and medical fees, and fares (on public transport or in car parks for example).

Public sector organisations can accept Visa face-to-face in local government offices, remotely via the internet, over the telephone or by post. Accepting Visa means remaining open for business 24 hours a day (42 per cent of all Visa e-commerce sales in the UK take place between 5pm and midnight).

Alongside one-off payments, public sector bodies can also accept recurring payments on Visa, on a weekly, monthly, quarterly or annual basis. This is a quick, simple and efficient way to accept payment for council tax or business rates.

By making payment easy and convenient for citizens and businesses, revenue collections are improved. Similarly, the efficiency of electronic payments compared to paper-based systems helps organisations meet government and regulatory targets.

Distributing disbursements via prepaid cards

This form of payments refers to the distribution of funds by card, or virtual card account.

A prepaid card is ideally suited to transferring welfare benefits and other entitlements, especially to the unbanked or for one-off payments. Such pre-funded cards can be used to distribute welfare, healthcare, housing, homecare, child and other benefits payments. They can be used to cover emergency payments, or disburse grants, awards and compensation entitlements.

In addition to being a straightforward means of paying full time or temporary employees and contractors, prepaid cards can also be used to pay expenses, bonuses and incentives. Prepaid is also an effective way to streamline purchasing from business partners and suppliers, replacing petty cash.

The cards can be used anywhere Visa is accepted, including ATMs, or usage can be restricted to certain retailers. Single-load disposable cards can be issued for one-off payments or with reloadable functionality to anyone entitled to ongoing payments. Funds can be added face-to-face, via ATMs, over the telephone or online by the public sector organisation.

As the recipient does not need a bank account, prepaid is ideal for the vulnerable, disadvantaged or impoverished. A card can be blocked if the card is stolen and funds can be re-credited to a central account therefore adding an additional layer of security and control.

If every European government body moved all their payments to Visa deferred debit overnight, tens of billions of euros would be released directly into the economy.²

Trust and Accountability

To make Visa the world's most trusted currency, we have to conduct our business ethically and safely. We set the highest standards of transparent governance. As such, our data management solutions make it easy for public sector organisations to establish, monitor and enforce their procurement policies.



Our compliance programmes and active promotion of the Payment Card Industry Data Security Standard (PCI DSS) keeps sensitive account data secure.

We use smart technology to fight fraud. Protecting transactions makes it safe to pay anywhere, including unattended locations (such as ticket or vending machines) or via contactless terminals. Verified by Visa security allows people to buy online, confident in the knowledge that their payment is secure.

We have **strict rules** in place which prevent Visa-branded services being used to buy illegal items or products.



We have also introduced Visa CodeSure, adding a display screen, keypad and battery to a normal Visa card. This enables the cardholder to generate a 'one-time' code, which ensures peak security when buying online or over the telephone.

We have strict rules in place which prevent Visa-branded services being used to buy illegal items or products. We also continue to finance and support the Child Exploitation and Online Protection Centre, whose international experts investigate and prosecute online child abusers. Visa Europe also works with the police, governments,

law officials and academics across Europe, ensuring that regulatory frameworks and anti-fraud initiatives are fit for purpose.

Promoting the responsible use of payment cards in all markets is important to us. For example, in Turkey and the UK we work with member banks and government bodies to promote good practice, via financial literacy and online financial education programmes.

Adding value to procurement

Visa Europe has spent many years tailoring payment solutions to meet specific business and public sector needs. This means we can shape programmes, products, services and technologies with our member banks around your stated requirements. The following covers some of the services we can add to our core offer.

Spend management. By adding spend management software to Visa payments, you can fully structure, interrogate and manage information about who is spending what and where, providing complete control and transparency. Analysing a consolidated view of spending and purchasing activities helps you to improve supplier relationships and negotiate better deals.

Visa IntelliLink Spend Management

is a powerful information and expense management tool, giving companies and public sector organisations greater understanding and control over spending. Data-rich and easy to deploy and use, Visa IntelliLink Spend Management offers complete reporting and expense management via a single platform, enabling transaction data to be delivered into proprietary accounts systems. Visa IntelliLink Spend Management is delivered to organisations via their Visa issuer. To find out more about Visa IntelliLink Spend Management please visit www.visaeurope.com/business

For public sector organisations which prefer to source their information management solutions directly, Visa Europe recommends **eSolutions MI**. eSolutions MI is a suite of web-based transaction management services for organisations, exclusive to Visa Europe. eSolutions MI was specifically created by PCCL in association with Visa Europe and the UK government body Buying Solutions. eSolutions MI enhances an organisation's ability to track, approve, allocate and code its payment transactions in addition to offering extensive reporting capabilities and data extracts for upload into mission-critical systems. To find out more about eSolutions MI please visit www.purchasingcard.info



“Data-rich and easy to deploy and use, Visa IntelliLink Spend Management offers **complete reporting and expense management** via a single platform.”



Compliance management. Visa understands that commercial and public sector organisations need improved compliance monitoring, so that their businesses can be more transparent and accountable when managing public money.

This is why we developed **Visa IntelliLink Compliance Management**, a web-based information-services application which can detect, analyse and manage potential card misuse and fraud. Visa IntelliLink Compliance Management adds another layer of protection and control, enabling any organisation to focus on its core purpose.

Supplier management. Visa Europe’s **Supplier Matching Service** can quickly tell you which of your suppliers accept Visa. Currently the service operates in the UK only, allowing business and public sector customers to determine which of their suppliers takes Visa, in order to favour those that do, or recruit those that do not.

Controlled use. Our programmes can be tailored to enable public sector organisations to control and facilitate employee expenditure. Card programmes can be built around (or restricted to) particular areas of spend, such as travel and subsistence. You can also limit usage, so that spending is restricted to authorised airlines or car rental groups, for instance, or within a category such as legal services or stationery.

Innovative ways to pay. Visa is a simple concept, moving funds electronically between people or organisations. However, we strive constantly to deliver new, value-creating payment solutions, through a series of innovative products, services and technologies. These make payments faster and more convenient, safer and more comprehensively useful.

Visa payWave uses contactless chip technology to enable cardholders to ‘touch and pay’, simply by holding a card to a reader. Designed to make small value payment quick and convenient, Visa payWave can also be deployed in a wide range of parking, ticketing and retail situations within the public sector.

Similarly, our new **mobile payment technologies** are beginning to enable mobile phones and similar devices to act as virtual cards, activated when held to a reader, with transaction records stored and visible on the phone.

Everyone wins

The attraction of Visa electronic payments is that the benefits are felt by everyone involved.

National economies: the scale of what can be achieved for governments and national economies through efficient electronic payments is vast. Although every European country is unique in its approach to benefits, disbursements, administration entitlements and payment flows, each can save time, money and shadow economy losses by adopting Visa's innovative payment solutions.

Public sector organisations: similarly, any public sector organisation can do more or better with less, by using Visa to pay and be paid. In every case, ingrained costs and inefficiencies can be replaced by streamlined operations and better services to businesses and citizens.

Suppliers: being paid by Visa is fast. It can take as little as 48 hours from invoice to guaranteed settlement. Payment progress is easily monitored, adding control while strengthening the relationship with you, the public sector.

Businesses & citizens: increasingly, businesses and consumers are paying for all kinds of public sector services via Visa, appreciating the immediacy of rapid, safe electronic transactions. Being able to make payments or receive disbursements via Visa is as appealing as it is convenient.



A pan-European opportunity

Visa Europe's vision of the future is that everyone, in every situation, has the choice to pay or be paid by Visa. In several European countries, governments have set public sector organisations stringent targets for electronic trading, efficiency and sustainability. Visa can provide the tools needed to meet such targets and improve efficiency.

Getting started with Visa

Contact your bank to ask about paying by Visa and accepting Visa payments. Alternatively, contact us at Visa Europe via vepublicsector@visa.com



Case history

Paying tax online in Romania

In Romania, Visa Europe realised that shifting €7 billion of annual tax payments onto cards would bring tremendous benefits to banks, cardholders, local government and the national economy.

By the end of 2009, acquirers had signed up 56 municipalities, nine of which also decided to accept card payments online. Visa Europe ran a national campaign in early 2010, promoting the idea of using cards to pay local taxes and government fees. The success of the idea was reflected in that more than 100 municipalities had joined the scheme by the end of the year, with 24 accepting online payments.

Seeing this success, the Romanian government publicly committed to launching a national portal allowing online card payments to local municipalities. The municipalities are mandated to accept card payment within three years.

In just over a year, this campaign has become both proven best practice and national policy.



Case history

Saving €1bn through government procurement

In the UK, more than 1,700 public sector organisations have spent more than €7 billion via a Government Procurement Card scheme known as GPC Visa. With proven monetary savings, taxpayers have benefited through well in excess of €1 billion in efficiency savings since the programme began in 1997.



Case history

Making weekly payments to young jobseekers

Young people leaving care in the London Borough of Lewisham aged 18 are entitled to a weekly allowance. Rather than collect this in person and in cash (which is expensive, inefficient, inconvenient and unsafe), they have multiple-use prepaid cards automatically topped up each week, reducing Lewisham's administrative costs by more than 60 per cent.

Convenient and inclusive, this gives young people the information and choice they need to check fund balances and pay online, by telephone or in person.



Case history

Distributing funds to low income families

In the UK, the government body which promotes technology in learning launched 'Home Access'- a programme designed to help low income families buy laptops and other technology, so as to learn online from home.



Visa prepaid cards were sent to qualifying families. Each was loaded with the amount of the grant and could only be used once, to buy specific Home Access items from approved retailers. This allowed families to choose where to spend their grants, and how to buy (over the telephone, in store or online), without suffering the stigma of using vouchers.

PIN protection ensured that only the designated customer could use the card. The government was able to relay funds swiftly, safely and rapidly, then track and audit the use of taxpayer funds.



Case history

Cashless car parking

Introducing chip and PIN car park payments in Portsmouth, England has made life quicker and easier for drivers, cheaper and more manageable for the local authority, and more profitable for local businesses.

People park, then put their card in a payment machine, select how long to stay, add their PIN, then take their ticket. They can then stay as long as they like, rather than be limited by the cash in their pockets.

Portsmouth City Council does not have to handle cash, which is both bulky and expensive to collect, count and bank. Instead, it gathers instant electronic records about payment performance and trends.

Europeans make up to five billion payments at parking and vending machines each year, so there is vast potential to introduce unattended payments to parking, ticketing and other sales areas.



Why Visa?

Visa is not only the world's pre-eminent payment brand; it is the proven, established leading payment solution for the public sector.

Our experienced and dedicated team of commercial payment specialists does far more than stay up-to-date with new trends and techniques: we lead the way forward. Our insights are backed by original research and extensive market intelligence.

By using or accepting Visa, you leverage the power of the brand, a global network of suppliers and cardholders, plus Visa Europe's resources and support.

We are the European payment system, wholly owned, controlled and operated by more than 4,000 member banks and other payment service providers in 36 countries across Europe. We have our own European transaction processing systems and anti-fraud mechanisms. This gives us a European focus, but with the additional benefit of global brand reach.

To find out more about how Visa Europe can help you in particular, and the public sector in general, please visit www.visaeurope.com/publicsector, email us at vepublicsector@visa.com, or (if you are a Visa member) talk to your Visa Europe Relationship Manager.

Visa Europe offices and business information

Head Office

PO Box 39662
London W2 6WH
United Kingdom
Tel: +44 (0) 20 7937 8111
Fax: +44 (0) 20 7937 0877

Austria

Mariahilfer Strasse 123/3
A-1060 Vienna
Austria
Tel: +43 (0)1 59999 8223
Fax: +43 (0)1 59999 700

Belgium

Rue du Luxembourg 3
1000 Brussels
Belgium
Tel: +32 (0) 2 501 0844
Fax: +32 (0) 2 501 0850

Bulgaria

53-55 Totleben blvd
1606 Sofia
Bulgaria
Tel: +359 2 805 7057
Fax: +359 2 805 7001

Czech Republic

Prague Stock Exchange
682/14 Rybná Street
110 05
Praha 1
Czech Republic
Tel: +420 222 191 44

France

21 Boulevard de la Madeleine
75001 Paris
France
Tel: +33 (0) 1 53 05 3939
Fax: +33 (0) 1 53 05 3937

Germany

Schillerstrasse 19
60313 Frankfurt
Germany
Tel: +49 (0) 69 9 20 11 210
Fax: +49 (0) 69 9 20 11 222

Greece & Cyprus

13 Posidonos Avenue
GR-17455 Alimos
Athens
Greece
Tel: +30 210 984 8850
Fax: +30 210 984 5580

Hungary

Alle Corner
Október 23. utca 8-10
1117 Budapest
Hungary
Tel: +36 1 882 3593/3594
Fax: +36 1 882 3501

Ireland

Pembroke House
28 32 Upper Pembroke Street
Dublin 2
Ireland
Tel: +353 1 234 2661 / 2639
Fax: +353 1 234 2400

Israel

Ayalon House
12 Abba Hillel Street
PO Box 3306
Ramat Gan 52136
Israel
Tel: +972 (0) 3 754 1157

Italy

Largo Augusto 7
20122, Milano
Italy
Tel: +39 02 76 2901
Fax: +39 02 76 29020

Nordics

Hamngatan 13
SE-111 47 Stockholm
Sweden
Tel: +46 (0) 8 440 3570
Fax: +46 (0) 8 611 9018

Poland

LIM Centre
Al. Jerozolimskie 65/79
00-697 Warsaw
Poland
Tel: +48 22 630 6801
Fax: +48 22 630 6806

Portugal

Avenida da Liberdade
180 E - 2o Direito
Tivoli Forum
1250-146 Lisbon
Portugal
Tel: +351 21 358 4500
Fax: +351 21 358 4550

Romania

6 Maria Rosetti Street
Maria Rosetti Tower 3rd Floor
Bucharest 020485
Romania
Tel: +40 312 250 500
Fax: +40 312 250 501

Spain

Torre Picasso - Planta 17
Plaza Pablo Ruiz Picasso, s/n
28020 Madrid
Spain
Tel: +34 91 418 9200
Fax: +34 91 597 3326

Switzerland

Seefeldstrasse 69
8008 Zürich
Switzerland
Tel: +41 43 488 3589
Fax: +41 43 488 3500

The Netherlands

Africa Building
Hoogoorddreef 9
1101 BA Amsterdam
Postbus 12516
1100 AM Amsterdam
The Netherlands
Tel: +31 (0) 203 120 557
Fax: +31 (0) 203 120 444

Turkey

Apa Gizplaza
Eski Büyükdere Caddesi
No.191
Kat 19
Levent 34394
Istanbul
Turkey
Tel: +90 (0)212 386 3000
Fax: +90 (0)212 386 3030

Websites

www.visaeurope.com
www.visaeurope.at
www.visaeurope.ch
www.visaeurope.es
www.visaitalia.com
www.visabg.com
www.visa.be
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