

Top 10 reasons why local authorities should accept Visa cards

Local authorities are under increasing pressure to operate as efficiently and effectively as possible. An important consideration is that payments should flow in the most cost-effective manner. We explain the benefits of Visa card acceptance to local authorities, and also present some ideas of how you can make the most out of the efficiencies it offers.

1 Benefit from cost efficiencies

The European Commission has calculated that the total cost to society of all payment systems equates to 2-3 per cent of GDP – and the costs related to cash account for two-thirds of this figure¹.

Visa card acceptance can help cut your cash-handling costs and break your cash dependence.

2 Deploy staff effectively

Visa card acceptance can free up resources that are required to collect, count and bank cash. This enables your staff to concentrate on customer service and other duties.

3 Offer convenience to customers

Accepting Visa makes it easy for customers to pay their housing rent and council tax as well as a whole range of other citizen to government payments.

Payment cards are widely held and usage is growing. According to the UK Cards Association, 85 per cent of the UK adult population held a debit card in 2008 and 62 per cent a credit card². The volume of transactions on debit cards reached 7.9 billion in 2008, 7.2 per cent higher than in 2007³.

4 Enable payment across various channels

Whether it is face-to-face in a cash office or remotely over the internet, telephone or by post, Visa offers secure, convenient payment solutions for every environment, allowing local authorities to accept payment across various channels.

5 Remain open for business 24 hours a day

Once you accept Visa in a remote environment e.g. on the internet, you remain open for business 24 hours a day with no additional staff costs.

Data from Visa Europe shows that more than 40 per cent of e-commerce payments made by UK Visa cardholders occur between 5pm and midnight, when local authority cash offices are closed⁴. Remote Visa card acceptance also makes it easy for those customers who find it difficult to get to a cash office to make payments e.g. elderly, disabled customers or those with professional or caring responsibilities.



6 Extend service

Visa card acceptance allows you to benefit from advances in payment technology to extend service and create new revenue streams.

Self-service card acceptance terminals can help local authorities to do business in remote or unmanned locations. This opens up a whole range of possible new revenue streams for parking, tolls and vending.

Similarly, Visa contactless payment is a great, new way to displace cash for low value payments in areas where speed is critical or where customers are making high volumes of low value purchases e.g. mass transit, canteens, leisure centre entry fees or CD/DVD rentals at libraries.

Best practice tips for maximising the benefits of Visa card acceptance

If you already accept Visa for payment here are some best practice tips for making the most out of the efficiencies that it offers:

1 Tell customers that you accept Visa

If you already accept Visa – tell your customers.

Point of sale signage i.e. decals are available from your acquirer for face-to-face environments, such as cash offices. You can also communicate acceptance on the homepage of your website and on correspondence to customers.

2 Encourage customers to pay remotely

Make the most of cost-effective remote acceptance channels by letting your customers know that you welcome payment in these ways. For example, include your website address and details of remote payment options on all correspondence.

3 Target customers who pay by cheque

Reminding customers who pay by cheque that they can make one-off or recurring payments with their Visa card helps cut costs and maximise efficiencies for you.

When you send out notifications that council tax or business rates are due, why not include details of card payment options?

4 Consolidate cash offices

If you decide to consolidate your cash offices, take the opportunity to inform your customers that they can pay by Visa in person in cash offices, but also remotely over the internet, telephone or by post.

5 Draw on the expertise of your acquirer

Draw on the expertise of your acquirer to make your business run smoother. Contact your acquirer to learn more about how card payment can streamline back office processes and improve payment cycles as well as tips on how to communicate and promote card acceptance with your customers.

7 Protect against counterfeit cash and fraudulent cheques

A Royal Mint sampling of coins in circulation in the UK in 2008 found that one £1 in every 40 was a fake⁵.

With regard to fraudulent cheques, following year on year reductions in 2005 and 2006, cheque fraud losses have risen during the past two years. According to APACS, the UK Payments Association, losses due to fraudulent cheques in 2008 increased by 25 per cent to £41.9 million⁶.

Visa card acceptance protects you against losses from counterfeit cash or fraudulent cheques. You can accept Visa payments from a customer, safe in the knowledge that, providing you have followed the correct procedures specified by your bank, you will receive payment.

8 Deliver prompt payment

Visa payments are automatically deposited to your account by your acquirer. Typically, you will receive payment within three or four days, which helps improve cash flow.

9 Benefit from automation

Accepting Visa takes the paperwork out of payment for greater back office efficiency. An end-to-end audit trail for all Visa payments is available for reconciliation purposes. Monthly statements and activity reports by department or function are also available from your acquirer to give a payment overview.

10 Contribute towards efficiency targets

Increasing card payments means that local authorities can increase the efficiency of their collections, save money, obtain better data on customers and provide better services. Increased card acceptance can also help local authorities to meet National Indicator 14, known as 'avoidable contact', where local authorities are "minimising the proportion of customer contact that is of low or no value to the customer."

Want to get started?

For more information on how to accept Visa card payments, contact your acquiring bank or e-mail Susan James, james@visa.com

1 Commission Staff Working Document. Annex to the proposal for a Directive for the European Parliament and of the Council on Payment Services in the Internal Market. Impact Assessment, COM (2005) 603 final

2 UK Plastic Cards 2009, UK Cards Association, June 2009

3 ibid

4 Visa Europe Data Warehouse, February 2009

5 As reported in the Daily Telegraph newspaper, January 2009, <http://www.telegraph.co.uk/news/uknews/4379416/One-1-coin-in-40-is-a-fake.html>

6 Fraud - The Facts 2009, APACS, the UK Payments Association, June 2009