

Glossary of terms

Account Information Service Provider (AISP) Allows payment account information from different bank accounts to be visible in one place online or via a mobile app.

Account to Account (A2A) A2A payments move money directly from one account to another without the need for additional intermediaries or payment instruments, such as cards.

Acquirer Acquirers Process credit and debit card payments on behalf of merchants.

Application Programming Interface (API) An API is a software intermediary that allows two applications to talk to one and other.

Automated Machine Learning (AML) The process of automating time-consuming, iterative tasks of machine learning model development.

Banking as a Service (BaaS) The provision of banking products and services through third-party distributors.

Blockchain A decentralized, distributed ledger (or database) that records the origin of a digital asset.

Buy Now Pay Later (BNPL) A type of short-term financing which allows customers to make purchases and pay for them at a future date or through instalments, often interest-free.

Card networks Provides communication system between merchant and issuer to complete a credit card transaction.

Cloud provider Delivers hosted services over the internet (e.g. server storage, software, analytics).

Cross-border payments Financial transactions where the payer and the recipient are based in separate countries, often involving multiple types of currency.

Cryptocurrencies A virtual, decentralised currency whose value is determined by supply and demand.

Digital banks/Neobanks User-friendly, digital native banks providing banking services sans physical branches.

Digital wallet/ewallet The housing of payment information on an electronic device.

Embedded finance When non-financial companies offer their customers access to credit or payment services through their technology platform.

Enterprise Resource Planning (ERP) Software to manage day-to-day business activities such as accounting, procurement, etc.

FinTech Short for Financial Technology.

Interchange fee A fee paid between banks for the acceptance of card-based transactions.

Issuer/Issuing bank Intermediary or financial institution (e.g. HSBC) that issues branded payment cards to the customer on behalf of card network (e.g. Visa).

Merchant discount rate Rate charged to a merchant for payment processing services on debit and credit card transactions.

Omni-channel Multichannel approach to sales to provide customers with a seamless experience (e.g. offers online and physical store).

Open banking Framework that provides third-parties access to consumer account and transaction data through the use of APIs.

Payment gateway A network through which customers transfer funds to businesses online.

Payment processor Facilitates communication between the bank that issued a customer's debit or credit card and the seller's bank.

Peer-to-Peer (P2P) transactions A transfer of funds between your bank account and the bank account of another individual.

Point of Sale (POS) System in a retail store that allows a customer to execute payment for goods or services.

Software as a Service (SaaS) Allows a cloud provider to host applications and make them available to end users over the internet.

Whitelabel platform Software that can be re-branded and used by another company.