

# VISA Prepaid

Visa's suite of prepaid products provides millions of consumers the ability to manage their money in a more secure, convenient, and financially controlled way. At its very core, prepaid is an engine helping to drive financial inclusion efforts and changing lives around the world.



## What is prepaid?

Prepaid users access a designated pool of funds that has been set aside in advance, letting them control and spend what has been pre-loaded into the card account. Prepaid provides a smart, cost-effective way to make purchases, pay bills and receive funds. Additionally, the prepaid platform provides consumers, businesses, and governments with the opportunity to experience the benefits of electronic payments through a payment option that does not require the extension of credit.



CONSUMERS

People around the world that do not have a bank account or have limited access to traditional banking products often rely on a combination of cash, money orders, check cashing services and pay-day loans to make ends meet. Prepaid serves as a tool to more effectively budget spending and offers a more secure, convenient and cost-effective alternative to cash and checks. Consumers are given secure access to their funds, opening up better ways to access funds to make everyday purchases and pay bills, and to receive deposits through the use of the prepaid platform.

*"I would love to not have to think about check cashing, paying my bills. It would be great if there were a very simple solution."*

– Avery A., Visa Striver Video participant

*"Prepaid cards help me limit spending and avoid incurring debt."*

– Pew Health Group focus group participant  
Pew Health Group, Key Focus Group Findings on Prepaid Debit Cards, 2012

*"[Prepaid] helps customers control spending and be in control of their funds making it ideal for budgeting and travel. It is also ideal for students and even employees or casual workers who may not have a Bank Account."*

– Head of eBanking, United Bank for Africa, Dr. Adeyinka Adedeji Ibrahim, Olayemi. "Nigeria: UBA Introduces Reloadable Prepaid Card." Daily Trust



BUSINESSES

Prepaid enables merchants to streamline the payment process and conduct business with a more inclusive customer base – whether that means accepting electronic payments from customers who wouldn't have the ability to do so without prepaid, or winning new customers through rewards and loyalty programs.

Businesses can also benefit from direct deposit of wages and healthcare benefits. With prepaid, employers have an efficient and cost effective means of processing payroll. In turn, employees receive instant access to their funds on a prepaid payroll card rather than having to rely on a check-cashing service, which is often time consuming and costly. The same process applies for providing healthcare benefits to an employee. Prepaid healthcare and benefit payment platforms allow users to pay for prescriptions and over-the-counter medications directly from the healthcare account.

*Approximately 4 million checks are lost every year according to the APA, costing employers \$3 to produce a paycheck and \$8 to \$10 to replace a lost check, on average*

"Subcommittee Works to Clear Up Muddled Message on Paycards" by William Dunn, CPP, APA Paycard Sub-committee, May 2009



GOVERNMENT

For more than 25 years, prepaid has helped governments around the world gain efficiencies and reduce costs by transitioning to electronic payments. A more cost-effective alternative to checks for disbursing payments and benefits, prepaid programs save millions of dollars in administrative costs associated with paper based programs – including lost or stolen check replacements, bank processing and handling fees, check fraud and check printing costs – while providing greater reliability for the delivery of benefits. Approximately 40 states are using or are in the process of implementing Visa prepaid card programs to disburse child support, unemployment benefits, tax refunds and other benefits.

*It costs the federal government \$1.03 to issue a paper check, compared to only 10.5 cents to issue an electronic fund transfer payment*

U.S. Treasury Department

*Prepaid cards' potential within the public sector is forecast to be \$284 billion by 2015*

Commercial PaymentsInternational.com report of research conducted by BCG, 2010