

# JUST SAY NO TO DEBIT!

## The Great Debate - Should I Choose Credit or Debit?

For years there has been a debate (and a lot of confusion) over whether you should choose “Credit” or “Debit” when completing a transaction using a “Debit” card. The choice of “Credit” vs. “Debit” refers to how the transaction is processed – not what card you use. Here is some more information that will help.

### **There are two different ways to make purchases using your VISA Debit Card at a store:**

1. “Debit”: You choose debit on the keypad or voice your choice to the cashier. Then you enter your PIN for authorization. The transaction is routed through a debit network like STAR or NYCE to the Credit Union. Typically the merchant has programmed the terminal to default to debit and it says, “enter your PIN”.

For example: You purchase something and swipe your VISA Debit Card through the terminal. You enter the PIN, get approval and the purchase is completed.

When you choose “Debit” you must enter your PIN in a public setting, possibly exposing your VISA Debit Card PIN to anyone in the surrounding area. Please remember this is also the PIN used to access your cash from an ATM machine. In addition, many people choose one PIN as their security code for many things in addition to their VISA Debit Card. So, guard your PIN!

2. “Credit”: You choose credit on the keypad or voice your choice to the cashier. You do not need to enter your PIN but instead you sign your name at the terminal or on the receipt. These transactions are routed through the VISA network to the Credit Union.

For example: You purchase something and swipe your VISA Debit Card through the terminal. You choose “Credit”, get approval, sign your name, and the purchase is completed.

There are additional security advantages to choosing “Credit”. When you choose “Credit” your transaction is routed through the VISA network. Only the VISA network affords security features like Zero Liability and Fraud Protection, which you get when you choose “Credit”.

## Why Does It Matter If I Choose Credit Or Debit?

Providing a VISA Debit Card program for our members is very expensive. There is the cost of the cards, VISA fees, insurance against fraud, and many other costs.

When you use your VISA Debit Card to purchase something at a store the merchant pays ACCESS a small fee. This fee reimburses ACCESS for the cost of the program, which makes it possible for you to buy something without the hassle of making sure you have cash on hand.

Many stores used to offer the two choices (“debit” or “credit”) up front. Often times they program their machines to default to PIN-based debit. This could lead the store customer to think there is only one way to make the purchase. Normally if a customer wants to make a signature-based “credit” transaction they must hit cancel on the machine, choose “credit” and then proceed.

The amount the merchant pays ACCESS is different depending on whether you choose “Credit” or “Debit”. If you choose “Debit” the amount the merchant pays is much smaller and therefore may not cover the cost of processing the transaction. Each one of the Credit Union’s member-owners can help the Credit Union by simply choosing “Credit” instead of “Debit”.

As stated above, each one of the Credit Union’s member-owners can help the Credit Union by simply choosing “credit” instead of “debit”. It is important to remember credit unions are member-owned, not-for-profit financial co-ops. Lowering the Credit Union’s business costs benefit all members. This makes it possible to offer lower loan rates, higher deposit rates, and products and services (like the VISA Debit Card.)

If members still prefer to choose debit, that option still is available. However, the Credit Union will assess a fee of \$.25 to help cover the cost of processing the transaction.

So remember: choosing “credit” instead of “debit” saves you the 25 cent fee, is safer and helps your member owned credit union.

