

Regional Debit Networks

5 tips for small retail employers to optimize credit card processing

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Small and mid-sized businesses are always looking for ways to reduce costs and increase efficiency. Understanding and leveraging regional debit networks can provide significant savings and competitive advantages. Here are five quick tips to help small and mid-sized businesses thrive by optimizing debit card processing.

TIP 1: Know your rights under the Durbin Amendment

The Durbin Amendment to the Dodd-Frank Act gives merchants the right to choose which debit network processes their transactions. Every debit card in the United States is associated with at least one regional debit network in addition to Visa or Mastercard. Instruct your merchant processor or acquirer to route debit card transactions through the regional debit network of your choice instead of Visa or Mastercard to potentially lower fees.

TIP 2: Understand the evolution of regional debit networks

Regional debit networks started as ATM networks and pioneered POS debit with PIN. They evolved to offer options competitive with Visa and Mastercard. Be aware that regional debit networks now support PINless transactions and dual-message processing, similar to credit cards. This evolution makes them more versatile and easier to integrate into current systems.

TIP 3: Check U.S. Common Debit configuration

Many smaller merchants' terminals and POS solutions might not be properly configured or certified for use with regional debit networks. Verify that your terminals and POS systems are correctly configured and certified for U.S. Common Debit to ensure compatibility with regional debit networks.

TIP 4: Ensure "dual message" capability

Your merchant processor and POS solution provider need to support the "dual message" capability offered by regional debit networks. Confirm with your provider that they support dual-message processing to take full advantage of regional debit networks. If they don't, consider switching to a provider that does.

TIP 5: Negotiate and explore regional features

Regional debit networks are eager to gain your business and often offer unique features and competitive rates that Visa and Mastercard do not. Negotiate with regional debit networks and explore their unique features, such as higher tip allowances for restaurants or community-oriented payment products. Engage in group deals with other merchants to increase your negotiating power.

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