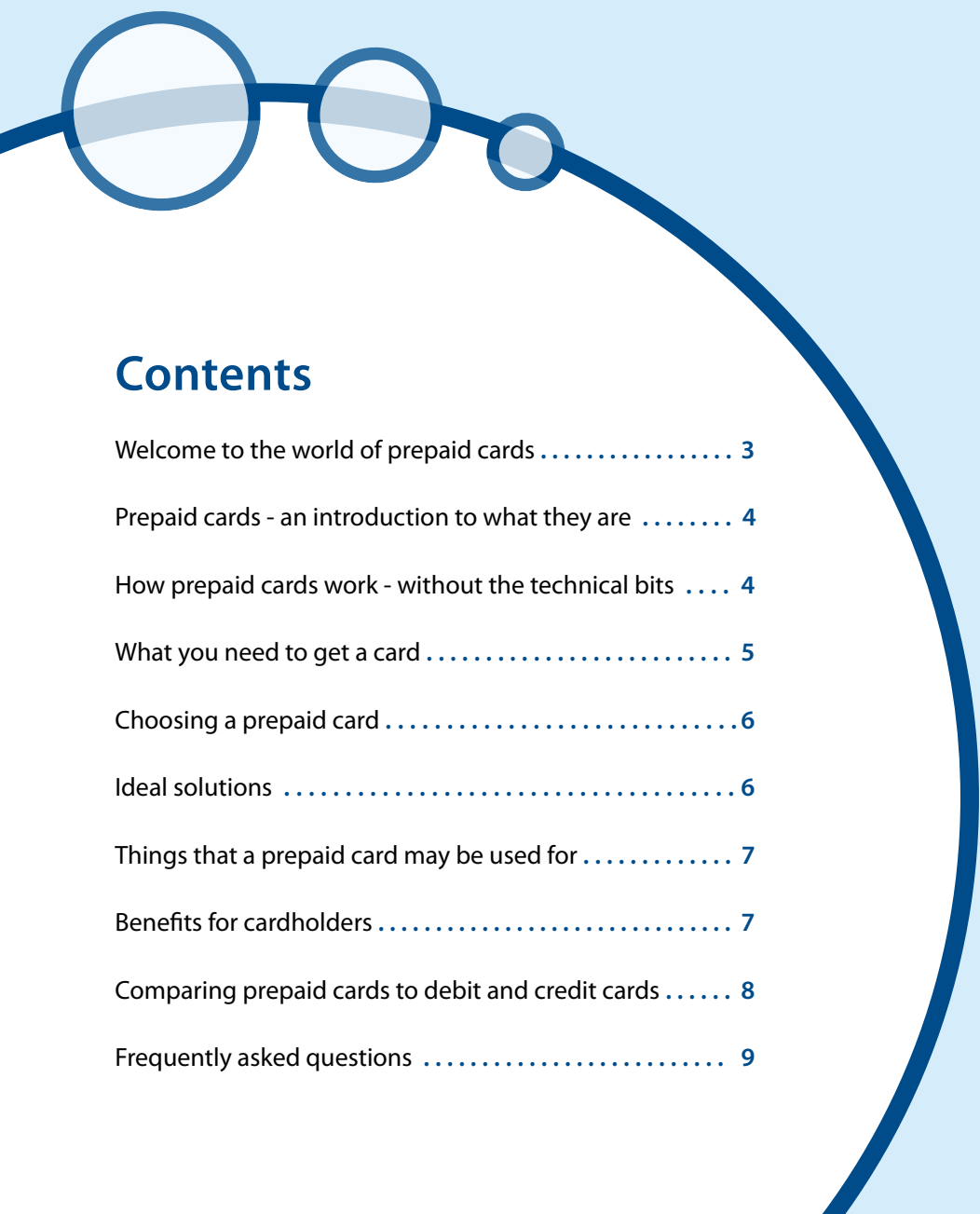




A guide to prepaid cards *by MasterCard*





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Welcome to the world of prepaid cards...

This leaflet has been prepared to help you find out more about prepaid payment cards and how you can use them best.

Although they're relatively new, prepaid cards are becoming more and more popular. Many stores offer 'prepaid gift cards' - you may have already used one! But prepaid payment cards aren't just limited to gift cards. There are prepaid cards for everything, from sending money to family and friends, to managing travel funds, to shopping over the Internet.

Independent research tells us that, by 2010, people across Europe will collectively have around 360 million prepaid payment cards in their pockets at any one time.

With so many cards likely to be around in the future, the prepaid payment cards team at MasterCard Europe want to ensure that as many people as possible know what to look for when choosing a prepaid card that's right for them.

This leaflet underlines our desire to help all consumers make an informed choice. We hope that you find it both reassuring and useful.

Prepaid cards - an introduction to what they are

A prepaid card is a payment card that can be loaded with money by you or someone else.

A prepaid card looks just like a normal credit or debit card, with a card number, signature strip and company branding. But prepaid cards are unlike credit cards, which provide you with a line of credit. They are also very different from debit cards that are linked to a bank account with an overdraft facility. This is because you can't borrow money with a prepaid card - you can only spend the money you have loaded onto it.

As your prepaid card is a MasterCard or Maestro card, you can use it anywhere in the world that accepts MasterCard and/or Maestro.

How prepaid cards work – without the technical bits

You can use a prepaid card in the same way that you would use a debit or credit card. It's easy to use your card. To buy something, this is all you need to do:

At the shops

Simply hand your card to the salesperson at the till.

Telephone shopping

Read out the card details over the phone.

Mail order shopping

Complete the order form, including the card details.

Internet shopping

Input the card details at the 'check-out' step of your Internet purchase.

When you use a prepaid card, the money is immediately taken from the amount loaded onto the card - not from a line of credit or a bank account. As long as you have enough money available, you can continue to use your prepaid card to buy what you need.

When the amount remaining on your card is low or at zero, you may be able to reload (or 'top up') your card in a number of ways, such as:

- cash top-up at post offices or convenience stores,
- funds transfer from a bank account,
- on-line through an Internet account.

Please check with your card provider for details.



What you need to get a card

You may need to provide proof of your identity and your address when applying for a prepaid card - but that's all. There are no credit checks or any other information that you need to provide. Once you have been given or sent your prepaid card, you will need to activate the card by following the instructions from your card provider.

When you buy a 'prepaid gift card', you don't usually need to provide address or identity details. These cards may be given to family and friends, who can then use the card like a gift voucher, until the money loaded onto the card has been spent. This type of card cannot be re-loaded.

Choosing a prepaid card

There are many types of prepaid cards for you to choose from. Look at the features of each card and consider those which are important to you, such as on-line account management, the ways in which you can reload the card, and the availability of additional cards on the same account. It makes sense to choose a card that has low fees and charges for the way in which you want to use the card most.

For example, if you just want to use a prepaid card for travelling abroad, a card that has low foreign exchange fees and overseas charges is likely to be the most appropriate. Shop around to find the card that has the best deal for you, then compare the features and benefits on offer.

Ideal solutions

A prepaid card is an ideal solution for you if you:

- want to give someone a gift - a MasterCard or Maestro prepaid card is more widely accepted than vouchers or store gift cards.
- are travelling abroad and don't want to carry cash or traveller's cheques. A prepaid card is more secure because it can be blocked if it's lost or stolen.
- want to help younger family members learn about managing their money. They can only spend as much money as is loaded onto the card, and the spending can be viewed on-line.
- want to manage your money by separating it into different places for different purposes. You could have one card for everyday shopping, one for travel, one for on-line purchases, etc.
- are having difficulty opening a bank account or getting a credit or debit card for some reason. You don't need to pass a credit check to get a prepaid card.

Things that a prepaid card may be used for

- Everyday shopping
- Internet shopping
- Mail order and telephone order
- Topping up your mobile phone
- Paying bills
- Paying monthly subscriptions
- Withdrawing cash from ATMs



Benefits for cardholders

Convenience

- Prepaid cards can be used wherever MasterCard and/or Maestro cards are accepted
- Anyone can get one – no need for credit checks or a credit history

Money management

- Can help you budget your money
- No interest charges on the card
- There's no danger of going overdrawn on the card. Once the money loaded onto the card has been spent, you can't spend any more until you've reloaded it

Security

- Carrying a prepaid card is safer than carrying cash. The card can be blocked if it's lost or stolen

Comparing prepaid cards to debit and credit cards

Prepaid card	Debit card	Credit card
No credit checks	Credit check to open the bank account to which the card is linked.	Credit check to approve card, decide credit limit and set interest rate.
No line of credit (so no borrowing and no debt).	Account can have an overdraft facility.	Line of credit that can be increased over time
No interest charges	Interest charges on money borrowed against an overdraft and with no interest-free period.	Interest charges on money borrowed against the credit limit, if there is an outstanding balance after the interest-free period.
Fees may be charged depending on the type of card. Read T&Cs carefully where they will be clearly explained.	Fees if you exceed an agreed overdraft.	Charges such as late payment fees, over-limit fees, cash advance fees, foreign exchange charges, duplicate statement fees and non-activity fees. These are explained in the T&Cs for each card product.
Only require basic customer information.	Require full customer information.	Require full customer information.
Can be used wherever MasterCard and/or Maestro cards are accepted, depending on which Brand Mark is shown on your card.	Can be used wherever MasterCard and/or Maestro cards are accepted, depending on which Brand Mark is shown on your card.	Can be used anywhere MasterCard is accepted.
Can sometimes be used at an ATM	Can be used at an ATM	Can be used at an ATM
Can be cancelled/blocked if lost or stolen.	Can be cancelled/blocked if lost or stolen.	Can be cancelled/blocked if lost or stolen.

Frequently asked questions

Where can I use a prepaid card ?

You can use your prepaid card wherever MasterCard and/or Maestro cards are accepted, including: retail shops, over the Internet, mail order and by phone - at home and abroad.

To keep track of your spending every time you use your card, the balance will be checked electronically with your card company before payment is made. In some circumstances your card may be declined because there is not enough money loaded onto it. This security feature exists to protect you from spending money that you do not have.

What are the fees and costs for having and using a prepaid card ?

There are many types of prepaid cards that are available for different purposes. You'll see gift, travel and everyday money cards, to name but a few – and the services they provide are charged for in different ways. Compare the features and costs of similar types of prepaid cards to find the best deal for you.

Some of the common fees and charges for prepaid cards:

- **Card application fee** - to set up your account and provide you with a card.
- **Monthly service charge** – this may entitle you to certain services such as a helpline or on-line service.
- **Card loading fee** – to load more cash onto your prepaid card. This may vary depending on how you top up your card (if you load funds onto your card from a bank account, you may be charged a fee by your bank).
- **ATM withdrawal fee** – there may be a charge for withdrawing money from an ATM (cash machine). A higher charge may apply when withdrawing money from ATMs abroad. You may also be able to use certain ATMs free of charge and/or make a limited number of free ATM withdrawals or deposits each month.
- **Purchase or on-line fee** – you may be charged for each transaction, or for certain types of transactions.

Can I use prepaid cards to withdraw money from an ATM ?

You can use your card to withdraw money from any ATM worldwide wherever MasterCard and/or Maestro and/or Cirrus cards are accepted, provided this feature is available on your card.



Can I use prepaid cards abroad ?

You can use most prepaid cards anywhere in the world that accepts MasterCard and/or Maestro cards – just like a debit or credit card. Please check with your card provider for details.

Can I use prepaid cards to shop on-line, over the phone and by mail order ?

Yes you can. You can use your prepaid card with any retailer that accepts MasterCard and/or Maestro.

Can I use a prepaid card to make regular payments, such as for monthly subscriptions ?

Some prepaid cards can be used to make regular payments. Please check with your card provider.

What makes prepaid cards safe ?

Because you must enter your PIN code to use most prepaid cards, it's a safer way to carry money instead of cash. If your card is lost or stolen, most card providers will allow you to 'stop' the card and some may arrange for a replacement to be sent to you.

What happens if my card gets lost or is stolen ?

If your card is lost or stolen, you must report it to your card company immediately. Usually your money will be frozen so no one else can use the card. Some card companies will voluntarily replace money stolen from your card – but not all of them do.

How do I load money onto my card ?

There are a number of ways to reload (or 'top up') your card, for example: cash top-up at post offices or convenience stores, by funds transfer from a bank account, or on-line through the Internet.

The ways in which you can reload your card will vary. Please read the information provided by the card provider for details of how and where you can load money onto your card.

What's the difference between a 'reloadable' and a 'non-reloadable' card ?

A 'reloadable' prepaid card can be 'topped-up' with money. Cards that are loaded once (e.g. gift cards) are 'non-reloadable' and can't be 'topped-up'.

Is there a limit to how much money I can put on my card ?

Some card companies may set a limit on how much money you can load onto your card at any one time. For prepaid cards that you can buy without any proof of address and/or identity, the maximum amount of money that you can load onto the card will generally be much less when compared to reloadable cards.

Can I see a history of how I have used my card ?

Yes, many card companies provide this option. When you pay with your card, details of the transaction are stored on-line. This information includes the dates, locations and amounts of your transactions. All of this will appear on your on-line statement, so you can check and access details easily.

What is the minimum age for having a prepaid card ?

Prepaid cards are generally available to all ages, although some companies require you to be at least 18 years of age to use their cards. There will be restrictions on cards that are available to persons under 18 to prevent their use for inappropriate spending (e.g. gambling and alcohol).

How many cards can I have ?

There are no limits on the number of prepaid cards that you can hold. Bear in mind that there could be fees and charges for each card that you buy – think carefully about how you will manage these costs.

Where can I get one ?

Prepaid cards are available from a variety of companies and locations. Some of the places that you can get prepaid cards include banks, over the Internet, and at participating retailers.