

PIN-Based Debit



Electronic Cash/Girocard

This payment method involves the cardholder entering PIN (Personal Identity Number) into a terminal with PIN pad. After an online authorisation by the issuing bank and a successful transaction, the merchant has a fully guaranteed payment.

The European Banking Community works on the realisation of the Single Euro Payments Area (SEPA). The goal of SEPA is to enable all citizens to conduct payment transactions within the Euro-Zone under the same conditions as in their home countries. In the course of the creation of a common logo for the SEPA Region, "girocard" replaced electronic cash in order to facilitate the international acceptance of German debit cards.



The name and the logo of girocard were introduced by the German Banking Community in 2007. With only one logo for two systems - PIN-based payment in the retail sector ("electronic cash System") and cash advance at ATMs in Germany (German ATM System) -, girocard provides an umbrella for national and international maximised security, that payment transactions with German debit cards in connection with PIN guarantees.

Authorisation with Pin

Modern debit cards contain a chip on the card which stores all required payment data. PIN and authorisation amount are verified offline. As a result merchants save the telephone costs to the data processing centre which are due for online authorisations.



When a card is inserted, a modern hybrid terminal automatically identifies, whether the card contains a chip or not. The customer must enter his personal secret identification number. Verification is effected offline against the authorisation margin stored in the chip. Should the authorisation margin be exceeded, there will be an online verification. Again the merchant has a fully guaranteed payment.

Benefits of Electronic Cash/Girocard Acceptance

- Payment guarantee for merchants
- Quick handling at cash point, especially with offline transactions
- Lower handling costs than cash handlings