

Bank payment cards in the Czech Republic

Key words: Electronic payment mean, Payment card, Bank payment card, Issuing bank, Cardholder, Merchant, Acquirer bank.

Klíčová slova: Elektronický platební prostředek, Platební karta, Bankovní platební karta, Vydavatel, Držitel, Obchodník, Zúčtovací banka.

The aim of this thesis is to briefly describe what can be regarded as a bank payment card in the Czech Republic, who is the payment card issuer under the current legal regulations, who is the card owner and holder, and which legal regulations regulate payment cards as such and which regulate the relationship between the issuing banks and their holders. It also describes the procedure before the financial arbiter including the analysis of the selected decisions of the financial arbiter, and the procedure linked with payment card transactions.

The thesis consists of five chapters.

Chapter One focuses on the explanation of selected relevant terms which are used in this thesis. The first part of this chapter defines various terms such as electronic payments means and payment cards, and explains which payment cards can be regarded as a bank payment cards. The second part of the chapter deals with the issuers of electronic payment means and with the issuers of bank payment cards, and briefly characterizes entities which are competent to issue bank payment cards. The third part defines terms such as holders, their competence to perform legal acts with respect to the issuance and use of payment cards, and the character of the relationship between the owner and the holder. The last part focuses on merchants that are able to accept payment cards, and briefly describes the relationship between the merchant point and the acquiring bank.

Chapter Two focuses on the provisions of the General Commercial Terms of the Czech National Bank, which was the only document expressly mentioning bank (payment) cards and their character before the publication of the Payment System Act, and, furthermore, the provisions of part III of the Payment System Act which regulate electronic payment means and the Model General Terms of the Czech National Bank

66 for the issuance and use of electronic payment means compared with the commercial terms of banks. The next part focuses on consumer protection.

Chapter Three focuses on the individual stages of the transaction starting from the submission of the payment card to pay, through the checking of its safety plastic parts, the possible authorization of the transaction, the transfer of the information about the transaction to the acquiring bank, the transfer of the information to the clearing centre, the settlement between the issuing and acquiring bank, the transfer of the information to the issuing bank, the „nostro” account movements, and the crediting of the merchant’s account with the due amount excluding the bank’s fee, to the debiting of the card holder’s account.

Chapter Four, deals with the procedure before financial arbiter, including the analysis of selected decisions of the financial arbiter.

Chapter Five focuses on Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market.