

What is Wirecard?

Wirecard is a German digital payments company.

What is its role?

- It acts as a payment processor. When someone pays for goods using his credit card at a merchant, the transaction is transmitted through the acquirer, a role which Wirecard plays. It then sends the transaction authorisation request to the card scheme under Visa or Mastercard, for instance, which then sends it on to the card issuer, which is the customer's bank.

What services does it provide?

- Wirecard's main business activities in Singapore are to process Visa and Mastercard payments for merchants and help companies issue pre-paid cards.

What does its collapse mean for businesses and consumers?

- Consumers might not be able to pay using credit or debit cards at some merchants if the merchant has only Wirecard payment processing.
- Businesses have to switch to alternative merchant acquisition service providers, such as United Overseas Bank, DBS, OCBC or Nets.



CARDHOLDER

1. Cardholder makes a purchase



Uses Visa/Mastercard from bank



MERCHANT

2. Transaction transmitted through acquirer

Wirecard as acquirer



Bank credit card

4. Issuer bills cardholder



ISSUER
(that is, a bank like DBS, UOB or OCBC)

3. Acquirer submits ticket to issuer for payment



Payment authorised and transaction cleared by service providers, such as Visa and Mastercard



WIRECARD
(ACQUIRER)