De facto debit system standard

Applied Communications has agreed to develop software for the Visa consumer credit company that allows automated-teller and point-of-sale networks to link their debit card systems to other networks. The agreement is intended to further the use of debit cards by making the Visa system the de facto standard. A debit card is like a plastic check — it is used like a credit card, but the cost of whatever is bought with it comes from a checking account instead of a credit line.

The software will be available to anyone, and links between regional and national transaction networks won’t need to be routed through Visa’s transaction network. In turn, Visa will provide its interface specifications to other software firms interested in developing similar software. Industry-wide standards for debit transactions are being developed by Visa, MasterCard, Plus, and Cirrus under the auspices of the American Bankers Association. The Applied Communications software will be fully conformant to the ISO 8583 financial interchange message formats standard and will support the association’s standards, the software company said.

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