



How Pre-Authorisation Works on Compac's OPT

**CTB1063 Pre-Authorisation Explanation
19 December 2014**



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FAQ

What is pre-authorisation?

Before you will be allowed to take fuel from a pump, the pump owner needs assurance from the bank that the customer has sufficient funds to pay for it. Rather than pre-pay and then arrange a credit for any fuel paid for but not dispensed, banks will reserve a pre-authorized amount selected by the user and then pay the pump owner for only the fuel dispensed. This allows users to completely fill their tanks without being charged for any extra fuel and simplifies billing for both the customer and pump owner.

Why is pre-authorisation needed?

In a normal retail situation if your purchases exceed the amount of credit you have available, the goods can be returned to the shelf. When dispensing fuel at an unmanned site, if the amount you dispense exceeds the balance in your account, it is not possible to remove the fuel from your tank. Many hotels and car rental companies also use a pre-authorisation to ensure there is enough credit available to pay for your accommodation or insurance excess. Pre-authorisation helps protect you, the bank and the pump owner from fraud.

How does pre-authorisation work?

When you insert your credit or debit card, the OPT screen displays the message "ENTER AUTH AMNT". At this prompt you select the pre-authorisation amount you want to fill up to. The OPT sends this request to your bank to confirm your account has enough available funds to do this. Your bank will debit your account immediately (and so reduce your available funds) to reserve the pre-authorisation amount – this is done to ensure that your bank can reimburse the pump owner for the fuel you'll eventually purchase.

You can now dispense fuel up to a maximum of this amount. When you complete filling and hang up the nozzle the OPT sends a message to inform your bank of the amount of the actual fuel you purchased. Your bank will then apply this purchase to your debit account and reimburse the pump owner.

Your bank may hold the pre-authorisation amount for up to 7 business days (this timeframe varies from bank to bank) after which time they will release the pre-authorisation amount and your available funds in your debit card account will reflect this.

Example:

\$200 debit – this is the pre-authorisation amount held by your bank, they will release this amount – it may take up to 7 business days

\$125.45 debit – this is how much you fuelled you purchased and it will be debited from your bank account immediately

How can this affect me?

If you frequently use an OPT or have problems with dispensing fuel, the pre-authorisations can accumulate and result in your credit limit being exceeded and transactions being declined even though you may think you have sufficient funds in your account to cover them. Staying in hotels or renting a vehicle may also compound the problem.



Who has my money?

In all cases it is your bank which is holding onto your money. The OPT just sends the requested authorisation amount to your bank. No money is held by Compac or by the pump owner. To arrange release any pre-authorisation, you must contact your bank directly.

Why can it take so long for the pre-authorisation amount to be released?

Normally pre-authorisations are released immediately but some Banks may hold onto pre-authorisation amounts for up to 7 business days. This can cause frustration when a debit or credit card is close to its limit or if a large pre-authorisation has been requested and not dispensed.

Each bank has its own protocols but the following scenarios may cause delays to your pre-authorisation amount being released:

- A zero dollar transaction. If the pump is authorised and fuel not dispensed, the pre-authorisation amount will be reserved until released from the bank. Lifting and dropping the nozzle or taking too long to start dispensing fuel from the pump may cause this.
- A big difference between the pre-authorisation amount and the amount dispensed. If a large pre-authorisation is requested but only a small amount of fuel dispensed it may raise a potential fraud alarm at the bank and result in delays to the pre-authorisation being released.
- A pump fault, power cut or other problem may result in a zero dollar or a big difference between the pre-authorisation and amount dispensed.
- Frequent exceeding of your credit limit, slow payment of your due balance or account activity that may raise an alarm at your bank for further investigation.

Releasing of pre-authorisations is the responsibility of your bank. Contact your bank with any questions.

What can I do?

In almost all situations, pre-authorisation works extremely well and customers will not be aware of its limitations. To help avoid the possibility of any problems we offer the following suggestions:

- Ensure you have plenty of credit available in your account. Having at least twice the amount you usually spend on a fill available in your account will allow a second pre-authorisation to be lodged in case of a pump error without exceeding your credit or debit limit.
- Carry a second credit or debit card.
- Match your pre-authorisation to the capacity of your tank. Instead of requesting a pre-authorisation greatly in excess of your tank capacity, select a figure that is close to what you require.
- If renting a vehicle or booking accommodation with your credit or debit card, ask whether they are doing a pre-authorisation and how much they are applying for. Take this amount into account when calculating how much credit you have available to you.
- Contact your bank and discuss the reasons they are holding onto your pre-authorisation. They may be able to advise you on how to reduce delays or make changes to their protocols to help release your pre-authorisation quickly.
- Find a bank that does not hold onto your pre-authorisation for so long.

If you have further queries on why your bank is holding the pre-authorisation amount please contact them directly.