Understanding card issuing platforms

A buyer's guide for building an RFP

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A card issuing platform typically consists of three different capacities: card issuing; card processing; and tools, applications and add-on services to help you launch and run a card program.

Additionally, the underlying architecture for these platforms plays a critical role in the speed, scale, and customization of your program.

Card issuing platforms come with extensive functionality, as well as integrations with the card networks and supporting banks to facilitate running a card program.

We have created this guide to help you better understand these platforms and their key capabilities. However, your specific business requirements will dictate if you need all or only a subset of these capabilities. We hope that this guide works as a useful starting point in creating your request for proposal (RFP).

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Card issuing

Your card issuing platform should offer a variety of card types to help you create the card program that is right for your business. A complete card issuing platform is equipped with not only a variety of card configuration options — such as whether the card can be used online, at a point of sale (POS), or at an ATM — but also whether verification should happen through physical presence, address, signature, or PIN. Additionally, a card issuing platform will feature card management and fulfillment tools to help you manage the entire lifecycle of your cards from issuing, to cardholder activation, to cardholder support.

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Card types

## Card types come in a variety of forms, including:
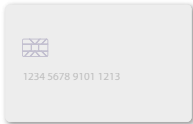
Physical cards
You can choose a physical card with a magnetic stripe, and/or near-field communication (NFC), and EMV-chip enabled.

Virtual cards
With a virtual card, you have the ability to securely display the card along with its primary account number (PAN), expiration date, and card verification value (CVV)2 in your app using PCI-compliant widgets — without handling sensitive card data on your servers.
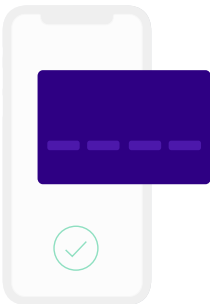
Digital wallets
Digital wallets enable contactless payments. Your card issuing platform should allow you to push provision your card (physical or virtual) into digital wallets such as Apple Pay, Google Pay, and Samsung Pay.

Sample RFP questions:

? Does your platform support issuing physical and virtual cards?

? Do you offer contactless payments?

? Which digital wallets do you support?

? Which physical card configurations do you support (e.g., EMV chip, chip and PIN, chip and signature)?

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Card variety and personalization options

When designing a card program, you typically select between these card products:

Debit cards

Debit cards connect directly to an existing bank account that automatically deducts funds for each transaction. A debit card is typically PIN-based, and can work as an everyday card for a variety of use cases such as wage disbursement, direct deposit, bill pay, loans, and more.

Prepaid cards

Prepaid cards are tied to existing program funds. A prepaid card can be used for commercial cases (such as supplier payments), but also for use cases like loyalty rewards for consumers. Prepaid cards with just-in-time (JIT) funding capabilities carry a $0 balance until the time of transaction, freeing up working capital and providing superior control over card transactions.

You can further customize your prepaid cards for single or multiple uses. Single use cards are not reloadable, and will be terminated after their initial use. Multi-use cards may be used numerous times — usually until they reach their expiration date — and may be reloaded multiple times or only once.

Credit cards

Credit cards give access to a line of credit, and enable the cardholder to borrow funds with interest rates. Modern credit cards provide a variety of customization options such as customizable rewards, incentives, and interest rates.

Branding flexibility

Whether choosing prepaid, debit, or credit, your card issuing platform should offer a variety of branding and personalization options. Find out what works for you.

Sample RFP questions:

? Does your platform support debit, credit, and prepaid cards?

? Does your platform support direct deposit and bill pay?

? Describe the funding model for your prepaid and debit cards.

? Do you offer single-use prepaid cards, as well as multi-use and reloadable cards?

? What level of customization do your credit programs allow for rewards, APR, etc.?

? What are your branding options (i.e., our brand or co-branded)?

? Do you offer stylistic consumer preferences, such as cards with a metal core, custom logo, message, signature, and graphics?

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Card management and fulfillment

To run a card program, you need to create new accounts; assign account holders; order new cards; terminate damaged, expired, lost, or stolen cards; and terminate or reissue cards as needed.

An intuitive user interface will give you the tools you need to promote customer satisfaction.

Sample RFP questions:

? Do you offer a user interface for issuing, reissuing and activating cards, setting up PINs, or changing card status to lost or stolen, suspended, terminated?

? Describe how your platform handles card fulfillment, inventory, and shipping.

? Do you offer custom shipping methods and destinations, such as personalized cards shipped to cardholders, cards shipped to your business for distribution, shipping in bulk, etc.?

? List your card fulfillment provider partners. Can we bring our own card fulfillment provider?

? Do you offer voice response (IVR) for card activation, PIN setting, balance inquiry, and lost or stolen card reporting?

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Card processing

In assessing the card processing capabilities of your card issuing platform, you will need to know how much flexibility and customization your use cases will require. At minimum, you will need simple spending parameters and core card processing capabilities. However, creating custom payment experiences such as those in Buy Now, Pay Later microloans, modern expense management platforms, new digital banking products, and embedded finance applications requires a platform with the ability to open up the payment flow, enabling you to integrate payments data with other data points to create powerful outcomes.

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Payment controls

Card issuing platforms offer spend parameters to help you control and prevent payment card fraud.

You can also use these controls to align your payment experience with your unique business rules, such as limiting a card's use to a certain dollar amount, frequency of use, merchant ID, merchant category code, permissible time and date of use, and more. If a transaction falls outside of this criteria (for instance, if a commuter benefit card is used at a grocery store) the transaction will be declined.
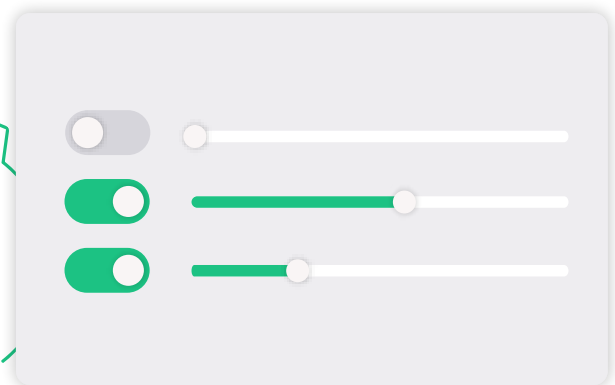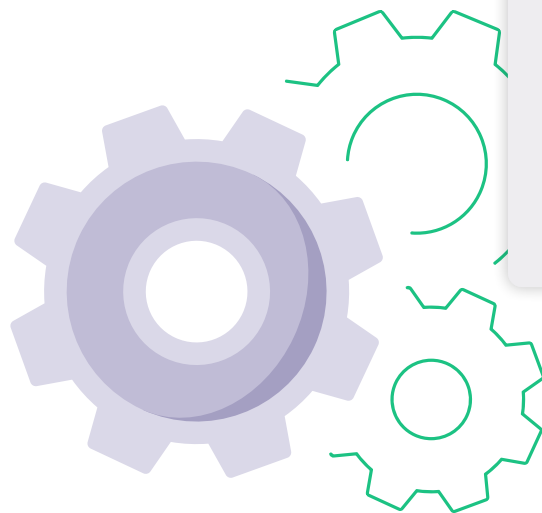
Sample RFP questions:

? What out-of-the-box spend controls does your platform offer?

? Does your platform allow limiting card usage by transaction amount (e.g., exact, within a configurable range, cumulative with configurable maximum)?

? What level of spend control customization do you offer (e.g., maximum number of authorizations within a window of time)?

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Open payment flow to create custom experiences

This is a capability not all card issuing platforms offer.

By opening the payment flow, modern card issuing platforms empower you to validate and authorize your card transactions against dynamic data such as the geolocation of the cardholder at the moment of transaction or their risk profile, or use preset parameters such as the exact date of recurring transactions. Ensure that in opening up the payment flow, the card issuing platform simplifies card networks' authorization messages (i.e., ISO 8583) that are used to validate transaction data. If your card issuer processor simply passes these messages to you, your developers still need to parse and translate these messages into programmable languages in order to verify the legitimacy of a transaction.

Sample RFP questions:

? Does your platform allow us to customize authorization rules for our particular business or vertical?
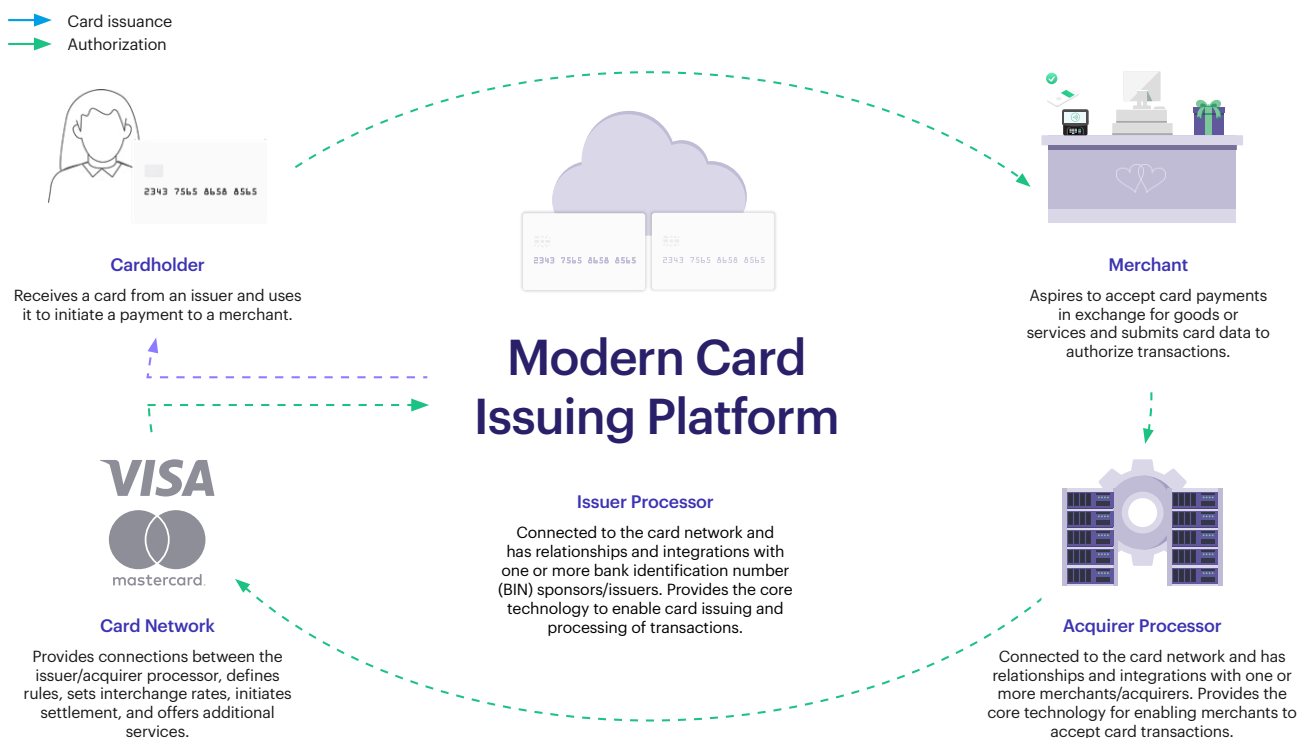
? Does your platform allow real-time data validation for authorizing transactions, even for a transaction based on dynamic pricing?

? Does your platform parse and translate ISO 8583 messages to a simple format before pushing them to our system endpoints?

? Does your platform allow data exchange between our system and yours (e.g., can we both receive data and pass data to and from your system)?

→ Card issuance
→ Authorization

Cardholder
Receives a card from an issuer and uses it to initiate a payment to a merchant.

Merchant
Aspires to accept card payments in exchange for goods or services and submits card data to authorize transactions.

Modern Card Issuing Platform

VISA
mastercard

Card Network
Provides connections between the issuer/acquirer processor, defines rules, sets interchange rates, initiates settlement, and offers additional services.

Issuer Processor
Connected to the card network and has relationships and integrations with one or more bank identification number (BIN) sponsors/issuers. Provides the core technology to enable card issuing and processing of transactions.

Acquirer Processor
Connected to the card network and has relationships and integrations with one or more merchants/acquirers. Provides the core technology for enabling merchants to accept card transactions.

¹ The "four parties" exist on top of the card network, which is not a "party" itself.

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Customization of card program perks and benefits

You can customize your program beyond just embedding payments into your application.

One critical component in designing a fully personalized cardholder experience is implementing your own ledger system. It is through the ledger that you are able to design rewards, incentives, cash back, and more. Other capabilities include providing data categorized by payees, account types, type of merchants, etc. to help you provide your cardholders financial transparency and management. Open issuer processor platforms also allow integration of transaction data captured by the card networks with your data (e.g., order ID) to make your reconciliation process easier.

Sample RFP questions:

? Does your platform allow calculation of incentives such as cash back and rewards for each cardholder based on spend, point accruals, or merchant visits?

? Can we dynamically configure our merchant partners' reward points from month to month?

? Does your platform allow integration of our customers' risk profile with their rewards?

? Does your platform offer data extracts for us to create custom budgeting or accounting applications?

? Does your platform allow us to generate reports for our partners in which transactions can be easily located by different criteria, such as order ID or invoice number?

? What other types of customization does your platform offer?

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Network flexibility

Depending on your program preferences and global coverage, you may want to verify which card networks (e.g., Visa, Mastercard, Discover) integrate with your card issuing platform, and the terms and type of products they carry.

Sample RFP questions:

? Which card networks are integrated with your platform?

? Do you support Signature, PIN, and ATM networks?

? List the card networks that you support in the U.S. and internationally.

? Do you offer premium bank identification numbers (BIN)s with any of these

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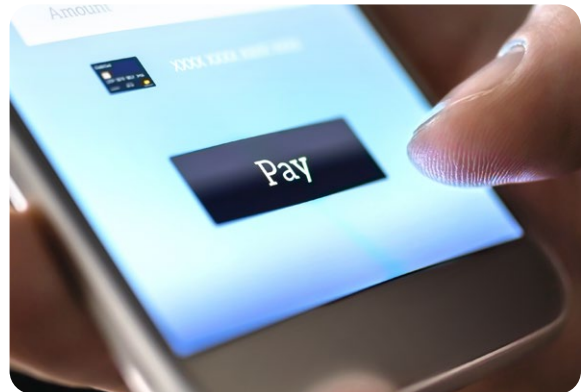
Card operations

Starting a payment card program or modernizing an existing one requires a set of tools, applications, and program management services that power innovative card programs end to end. In assessing a platform, decide whether you like to use APIs, an out-of-the-box intuitive user interface such as a dashboard, or both. Additionally, ensure that your card issuing platform provider offers program management services to fully manage your card operations such as know your customer (KYC) and dispute management, or offers services you can augment with your own resources.

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Self-service developer tools

If you are building a custom card program, enabling your developers to create and test cards using a private, secure sandbox environment, open APIs, and integrated documentation is essential to your success.

Your developers should be able to simulate transactions, explore endpoints, test integrations with the card networks using your own authentication logic, and build custom spend control rules that govern your card programs.

Sample RFP questions:

? Which developer tools, guides, and tutorials do you provide?

? Do you offer a private sandbox environment to create and test card products? What are the capabilities of your sandbox (e.g., the available APIs, testing suites, simulation tools)?

? Do you provide software development kits (SDK)s?

? Do you have a developer community?

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Administration dashboard

To serve all your administration needs across an entire card program, look for platforms with easy-to-use tools and a single user interface where you can manage the lifecycle of your cards, including designing, testing, ordering, activating, suspending, and terminating cards as needed.
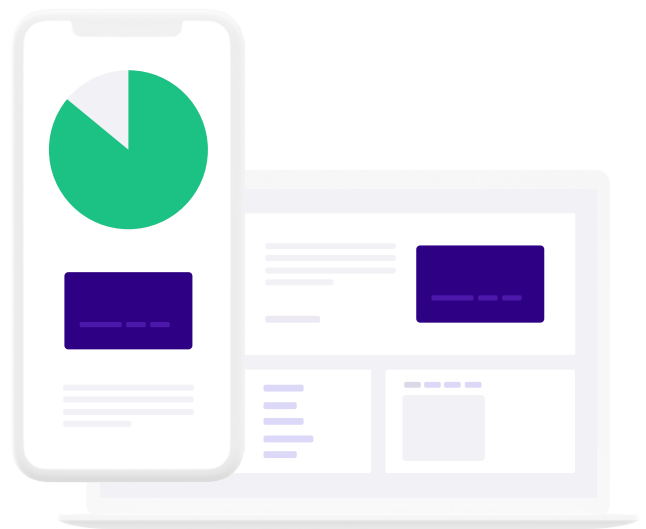
Sample RFP questions:

? What tasks can our operations and support teams perform via your dashboard/portal?

? Does your platform offer tools for managing program funds, issuing cards, setting up PINs, monitoring cardholder balances, and reporting lost or stolen cards?

? Does your platform offer tools to order new cards or add new cardholders to the program?

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Fraud detection and alerts

To improve your chances of a successful and secure card program, assess whether your card issuing provider offers proactive tools to help you mitigate the risk of fraud before it takes place, as well as solutions that can help you detect, monitor, alert, and investigate unusual activity.

This includes user activity monitoring such as excessive declines, excessive ATM/cash back activity, excessive peer-to-peer (P2P) transactions, unusual spend activity at luxury retailers and high-risk merchants, as well as merchant activity monitoring such as unusual spend patterns at one merchant, excessive declines, forced post transactions, cardholder transacting at merchant's own place of business, refunds with no offsetting settlements, etc.

Sample RFP questions:

? Describe your preventative fraud tools and controls.

? Does your platform offer fraud detection tools such as alerts based on the preventative measures described above?

? How does your platform handle monitoring of fraudulent activities?

? Do you perform KYC and anti-money laundering (AML) checks?

? Do you require KYC for all card programs?

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Chargeback management

Your card issuing platform should provide you with the tools to help you submit, track, and monitor the status of your disputes easily.

You should have the option to handle your cases both through APIs and visually via a portal. APIs help you speed the process when you have a large volume of cases, whereas a user interface is helpful for monitoring the overall chargeback process, analyzing chargeback patterns, or managing special cases.

Sample RFP questions:

? Does your platform provide a user interface to initiate, manage, and review chargebacks?
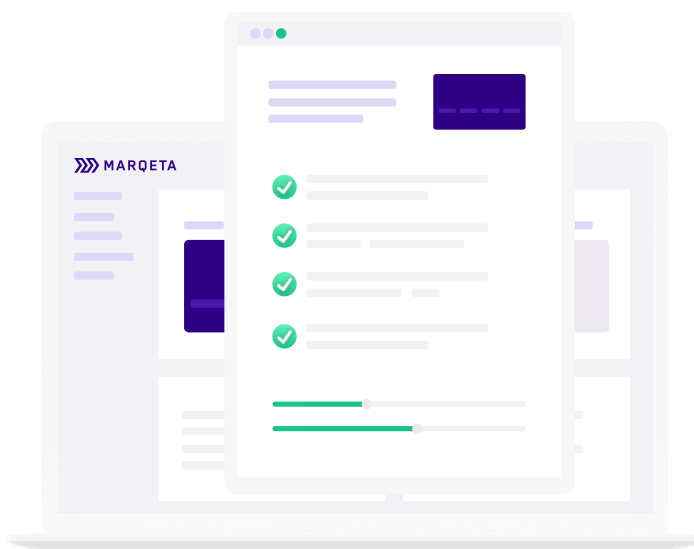
? Does your platform provide real-time APIs to initiate and inquire about the status of a chargeback?

? Describe how your platform handles disputes and cases. Do you provide a portal for disputes, or just APIs, or both?

? Can your program set triggers to receive real-time notifications about the chargeback process and its updates?

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Analytics and raw data extractions

In assessing the analytic capabilities of your card issuing platform, make sure you look for both out-of-the-box reports as well as access to all payments data (through APIs) to perform data discovery, exploration, and analysis.

Data extraction through APIs and endpoints allows you to blend transaction data with your own data and build data visualization, discovery, and analysis or incorporate extracted data into your risk or customer insights machine-learning algorithms.

Prebuilt reports and out-of-the-box data visualizations expose operational insights and standard program details in an easy-to-understand format.

Sample RFP questions:

? Does your platform offer payment data at the transaction level (e.g., merchant name and ID, card number, dollar amount, date sent to supplier, authorization status, etc.)?

? Does your platform offer settlement data at the transaction level?

? Can your platform incorporate custom data points (e.g., transaction ID, supplier ID, supplier name, AP subscriber ID)?

Sample RFP questions:

? List your operational reports (e.g., issued cards, card inventory, unauthorized cards, card usage, and cardholder behavior).

? Does your platform provide standardized reports for reconciliation and settlement of funds?

? Does your platform provide analytic reports to assess the health of the programs or products (e.g., analysis of transactions across all locations and merchants, chargebacks, and disputes)?

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Program management

To get started with any card program, you need to navigate sponsoring banks and payment networks, and understand the intricacies of the payment card ecosystem.

You have to operate under certain rules and standards and create an end-to-end process that supports your program funding, the clearing and settlement of your card payments, card design, production and fulfillment, back office and reconciliations, KYC, fraud, cases and dispute management, compliance, and more. You may already have some of these components in place, or you may decide to leverage your card issuer processor to provide you with these services. In either case, ensure you consider the following:

Sample RFP questions:

? Which program management services do you provide alongside your platform?

? What is the estimated time to market for our use case/industry card solution?

? What service-level agreements (SLA) do you have established with the card networks and with issuing banks?

? Who are your card fulfillment providers and what is their area of expertise?

? Do you handle chargebacks and disputes?

? Do you have KYC and the Office of Foreign Assets Control (OFAC) screening processes?

? Do you offer network reconciliations, such as validating transactions reported by the card networks?

? Do you offer cash reconciliation, such as validating funds in and out of our issuing bank?

? Do you provide aggregate and detailed settlement reports that can be used for internal reconciliation work? Do you combine and flatten all the activities related to a transaction (e.g., clearing records, reversals, refunds, voids) into a single row to make reconciliation easier?

? Do you monitor and review transactions for potential violations of regulatory and compliance requirements?

Architecture

An issuing and processing platform built on a modern cloud infrastructure maximizes your chances of handling expected and unexpected increases in your card issuing and transaction processing. Additionally, to give yourself the ability to customize your payment experience and continuously innovate, look for a platform with open APIs that allow you to participate in the payment authorization flow.

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Scalability and resilience

In searching for the right card issuing platform, look for a single, global cloud infrastructure that can automatically and elastically scale as your traffic and transaction volume grows.

These platforms come equipped with redundancy, disaster recovery, and failover. Additionally, inquire about system uptime — often measured by the percentage of time when the card issuing system is available to support API calls, receiving authorization requests from the card networks, and sending and receiving authorization responses to and from your system. Use an uptime performance standard of 99.99% or greater.

Sample RFP questions:

? Describe your resiliency, backup, and recovery services.

? What is your average number of transactions processed per second?

? Please specify your platform availability and uptime rates.

? Does your platform offer a backup service to keep track of card states, authorization requests, and account balances when our systems fail? If so, can we set up our own business rules to govern the approval of transactions during times of system failure?

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Integration and APIs

A card issuing platform can provide a number of integration techniques.

Depending on your use case, some of these techniques may be more important than others.

Some examples of integration include real-time authorization decisioning where validating and approving transactions are sent to your system endpoints. Others include providing you with data APIs and webhooks so you can integrate your card program with other systems.
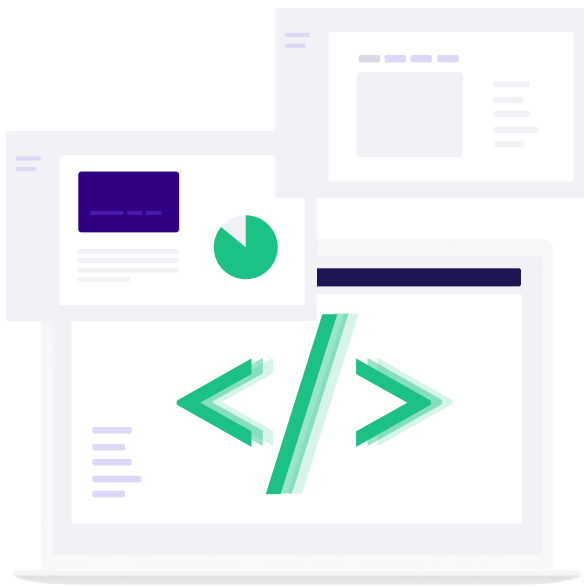
Sample RFP questions:

? Please provide examples of payment integration with customer-facing web or mobile applications.

? What is required to interact with the payment authorization flow?

? Which programming languages integrate with your platform?

? Provide a reference to some examples of your public APIs.

? Do you provide a way to extract data in bulk and in aggregate?

? Do you provide an event-driven design to create real-time alerts based on contextual data points (e.g., card activation, transaction fraud, declines, chargeback status changes, etc.)?

? Can these notifications pass information to our cardholders via in-app messages or SMS?

? Does your platform provide direct integration with the card networks' cases APIs?

? Do you offer built-in integrations with digital wallets? List those digital wallets.

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Security and compliance

Payment security can be enforced in multiple ways. First, ensure that your card issuing platform has gone through required certifications to comply with regulatory and card network mandates.

Additionally, depending on whether your card holders are using your cards in-store or online, you would want to enlist different security controls.

Sample RFP questions:

? Please list all your compliance certifications (e.g., PCI DSS, PCI 3DS, SOC 1, and SOC 2).

? Please indicate your level of PCI DSS compliance.

? Do you provide encryption for personally identifiable information (PII), payment card industry (PCI), and personal identification number (PIN) for data in transit and data at rest?

? Which security widgets do you provide for displaying sensitive card data in other applications or web pages?

? For in-store transactions, do you provide EMV chip-enabled cards, chip and PIN, and chip and signature?

? How do you handle digital identity verification during "card not present" or online transaction scenarios?

? Is your platform ready for 3D Secure 2.0?

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Global expansion

Card issuing platforms designed for global expansion don't require reimplementation in each region, and instead operate on a single, global platform.

Other issuer processing platforms that have expanded globally have done so as a result of local acquisitions, requiring consulting services for each expansion. Select a solution that minimizes your global expansion efforts.
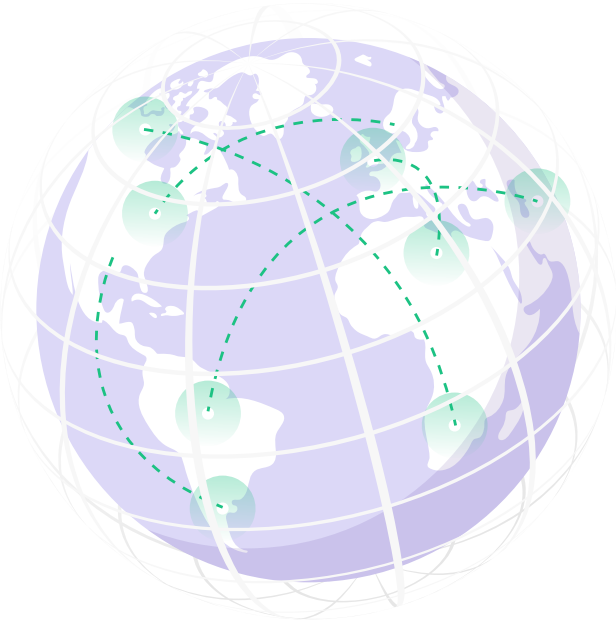
Sample RFP questions:

? Describe the process for deploying centralized implementation into different regions.

? Are you able to perform different authorization decisions depending on the geographical location of the transaction (e.g., different behavior for merchants in the U.S. vs. internationally)?

? Do you support cross-border transactions?

? Do you require integration with each local card network separately?

? Which digital wallets are you certified with in each region?

? List your card fulfillment and banking partners across various regions.

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Closing thoughts

As this guide's feature overview and sample RFP questions show, there is a wealth of capabilities to consider in choosing the best card issuing platform for your business. The criteria for your selection should be based on a combination of factors that is most advantageous for you — including key functionality, service quality, the platform architecture, vendor experience, pricing, etc.

To select the right solution, consider outlining your current and future use cases, and mapping out a payment authorization flow and an expected behavior of the payment experience. To see several examples, you can view our various industry solutions on marqeta.com/payment-solutions/overview. Then, use this guide to start your research to pick the right solution for your business.

About Marqeta

Marqeta is the modern card issuing platform empowering builders to bring the most innovative products to the world. Marqeta provides developers advanced infrastructure and tools for building highly configurable payment cards. With its open APIs, the Marqeta platform is designed for businesses who want to easily build tailored payment solutions to create best-in-class experiences and power new modes of money movement. Marqeta is headquartered in Oakland, California.

For more information, visit **www.marqeta.com**, **Twitter**, and **LinkedIn**.