# Payment Card Transaction Flow

The cardholder purchases a good or service from a merchant or department in person or by phone, mail, fax, or Internet.

The merchant's bank sends the cardholder's information to the cardholder's bank for authentication.

The corresponding credit card authorization system (Visa, MasterCard, Discover, and American Express) conducts the necessary security checks.

The merchant's bank sends an approval to the merchant.

The merchant completes the transaction and issues a receipt to the cardholder.

For clearing purposes, and to validate the information, the merchant's bank sends the purchase information to the credit card carrier clearing system. This process takes 1 to 2 business days.

The credit card clearing system validates the information and sends the purchase information to the cardholder's bank, which prepares the data for the cardholder's statement.

As soon as the purchase information clears the settlement process, which may take 2-3 business days, the credit card company notifies the merchant's bank and the cardholder's bank.

The merchant's bank pays the merchant for the transaction, and the cardholder's bank bills the cardholder for the purchase amount.