

Payments

Faster Payment

These are **electronic payments that can be made online, over the phone**, in a branch. As long as the receiving bank or building society uses Faster Payments too, the payment will arrive almost immediately (though sometimes, it can take up to 2 hours).

ACH Payment

The **automated clearing house (ACH)** is an electronic funds-transfer system that facilitates payments in the U.S. The ACH is run by the National Automated Clearing House Association (NACHA). Recent rule changes are enabling most credit and debit transactions made through the ACH to clear on the same business day.

FED Wire

Fedwire (formerly known as the Federal Reserve Wire Network) is a **real-time gross settlement funds transfer system** operated by the United States Federal Reserve Banks that allows financial institutions to electronically transfer funds between its more than 9,289 participants (as of March 19, 2009).

Priority/SWIFT/TT Payment

A SWIFT transfer, also called an international money transfer, is a secure and standardised method of sending or receiving money from banks anywhere in the world.

BACS Payment

This is an **electronic system to make payments directly from one bank account to another**. They're mainly used for Direct Debits and direct credits from organisations. The payments take 3 working days to clear, so money paid into your account on Monday will clear on Wednesday.

CHAPS Payment

CHAPS is a **sterling same-day system** that is used to settle high-value wholesale payments as well as time-critical, lower-value payments like buying or paying a deposit on a property.



Understanding FX Terms

Rates

Margin

Margin means trading with leverage, which can increase risk and potential returns. The amount of margin is usually **a percentage of the size of the forex positions** and will vary by forex broker. In forex markets, 1% margin is not unusual, which means that traders can control \$100,000 of currency with \$1,000.

Mark-Up

Mark up refers **to the value that a player adds to the cost price of a product**. The value added is called the mark-up. The mark-up added to the cost price usually equals retail price. ... The amount of markup allowed to the retailer determines the money he makes from selling every unit of the product.

Interbank Rate

Interbank rates, also commonly referred to as market rates, are **the official live conversion rates for a given currency pair**. The interbank rate is the constantly fluctuating price at which banks trade currencies with each other.

Wholesale Rate

The foreign exchange wholesale market is **formed by the buying and selling of foreign currencies among financial institutions**, such as commercial banks. ... Since it is a place where banks engage in the settlement and sales of foreign exchange and cover position, it is usually called the interbank foreign exchange market.