In 1981 This Tiny Article Shows How Modern Instant Payments First Emerged

On August 19th, 1981 a tiny article appeared in the New York Times from a company called Visa USA.

This 1981 Visa announcement marked a pivotal moment in the evolution of electronic payments, laying the groundwork for today's instant payment systems that we often take for granted. The introduction of **Visa's Loss Control System** represented one of the first large-scale attempts to create a real-time authorization network for financial transactions – a concept that would eventually become the backbone of modern digital payments.

The system's revolutionary feature was its ability to provide instant verification through point-of-sale terminals that could read magnetic stripes and connect directly to processing centers via telephone lines. This technological leap forward was particularly

significant when you consider that before that people had to pour through exception books to see if a card was reported Lost or Stolen.

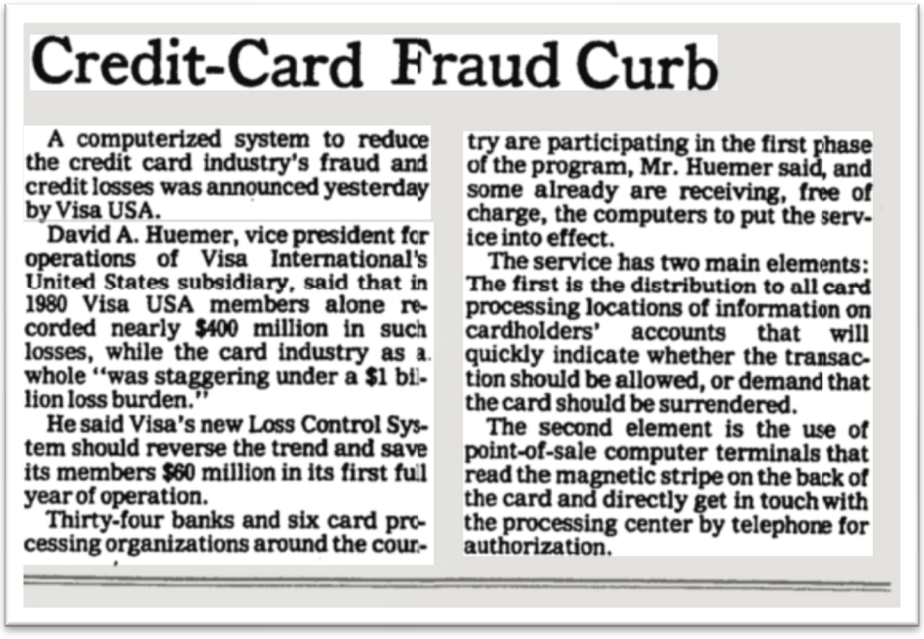
Consider How This Changed Everything

Consider how this early innovation mirrors the fundamental elements of modern instant payment systems: real-time authorization, direct connection to processing centers, and immediate verification of account status.

When you use services like Zelle or Venmo today, you're essentially using a more sophisticated version of what Visa pioneered – a network that can instantly verify and authorize transactions while protecting against fraud. The key difference is that while Visa's system took seconds to connect via telephone lines, today's systems operate in milliseconds through high-speed internet connections.

Looking back, Visa's ambitious goal of saving $60 million in the first year through this system seems modest compared to the trillions of dollars in transactions that flow through today's instant payment networks. Yet, it represented the first step toward creating the secure, interconnected financial ecosystem that powers our modern digital economy.

The Article As It Appeared



Credit-Card Fraud Curb

A computerized system to reduce the credit card industry's fraud and credit losses was announced yesterday by Visa USA.

David A. Huemer, vice president for operations of Visa International's United States subsidiary, said that in 1980 Visa USA members alone recorded nearly $400 million in such losses, while the card industry as a whole "was staggering under a $1 billion loss burden."

He said Visa's new Loss Control System should reverse the trend and save its members $60 million in its first full year of operation.

Thirty-four banks and six card processing organizations around the country are participating in the first phase of the program, Mr. Huemer said, and some already are receiving, free of charge, the computers to put the service into effect.

The service has two main elements: The first is the distribution to all card processing locations of information on cardholders' accounts that will quickly indicate whether the transaction should be allowed, or demand that the card should be surrendered.

The second element is the use of point-of-sale computer terminals that read the magnetic stripe on the back of the card and directly get in touch with the processing center by telephone for authorization.

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