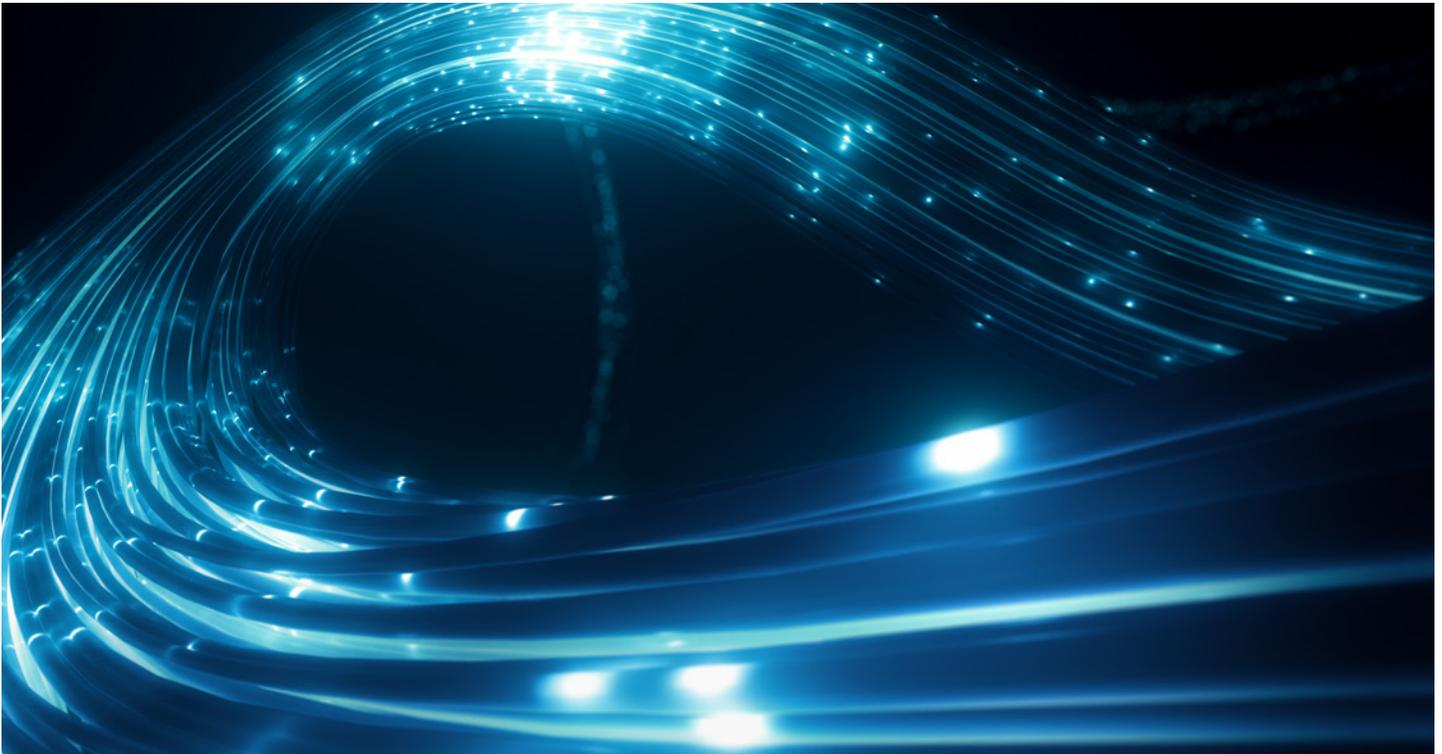


April 2018

# Virtual Cards Give T&Es a Run for Their Money

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Using commercial cards to pay for travel and entertainment expenses has become the standard in corporate travel for a variety of reasons. Convenience is high on the list, as travel and entertainment (T&E) cards allow employees to pay for everyday travel expenses, such as food and taxis, without having to pay out-of-pocket and wait for reimbursement. T&E cards can also offer cardholders certain travel benefits, such as vehicle insurance and travel-related assistance services. As a result, T&E cards have become a popular choice for managing travel-related expenses; according to the 2017 B2B Payments and WCM Strategies Survey Report, 37% of organizations currently use T&E cards.<sup>1</sup>

But while T&E cards remain popular for everyday travel expenses, a new payment solution is gaining momentum: Virtual Travel Cards. Unlike a T&E card, Virtual Travel Cards do not consist of a physical card. Instead, a unique, one-time-use 16-digit card number is generated at the point of sale for every new transaction. Virtual Travel Cards are optimized for use with major travel booking platforms, allowing companies to seamlessly reserve airfare, hotels, rental cars, and more for traveling employees.

“While physical plastic still stays relevant and is seeing decent growth, the part of the industry that is growing faster is the virtual card space,” says Sachin Mehra, Group Executive of Global Commercial Products at MasterCard.<sup>2</sup> Now, travel managers are increasingly turning to Virtual Travel Cards to seamlessly and securely book services such as hotels and airfare in advance.

## Virtual cards promote greater security

With recent increases in security breaches and financial fraud, the popularity of the single-use Virtual Travel Card is on the rise. When commercial ghost cards are kept on file with airlines, merchants, and hotels, there's a risk of card credentials being stolen. Virtual Travel Cards guard against this vulnerability with unrivaled security features.

Because a Virtual Travel Card is used for a single payment only and is then discarded, the risk of fraud is reduced, as there is no physical card to safeguard. Using a card number only once gives every purchase its own unique identifier, which allows data to be customized and easily tracked all the way through the lifecycle of the booking.

For added security, a CVV, CVV2, or CVC can be generated at the same time as the VCN. You can also place restrictions on what the Virtual Travel Card is used for, including the supplier, the amount, and the date range in which the card can be charged.

## Travel management and ERP integration

Virtual Travel Cards provide more accurate, detailed data on travel spending, allowing travel managers to better control expenses. From a process efficiency perspective, these cards offer reconciliation of purchases and payments, reduce risk of overspend, and provide full company-specific data for cost reallocations. Plus, Santander customers that use an enterprise resource

planning (ERP) system with cost center accounting structures can easily integrate the Virtual Travel Card technology into their systems.

**About 20% of American businesses pay for travel using cardless single-use virtual accounts. That's up 13% from 2016, according to a study by the GBTA Foundation. The study also found that 53% of travel suppliers are accepting single-use virtual accounts—representing a big gain in popularity for a relatively new payment method.<sup>3</sup>**

While T&E cards remain popular for everyday travel expenses, Virtual Travel Cards are emerging as a more cost-efficient, convenient, and secure way for organizations to book hotels, airfare, and more. Companies that utilize a combination of T&E cards and Virtual Travel Cards benefit from streamlined payment processing, more control over each transaction, and overall added convenience for employees.

**To learn more about VCNs and T&E card use, reach out to your Santander relationship manager.**

<sup>1</sup> B2B Payments and WCM Strategies 2017 Survey Report

<sup>2</sup> Reinventing the corporate card for a virtual world: <https://www.paymentssource.com/news/reinventing-the-corporate-card-for-a-virtual-world>

<sup>3</sup> GBTA Single-Use Virtual Accounts Gaining Popularity Among Business Travelers [http://www.gbta.org/PressReleases/Pages/RLS\\_063015\\_Foundation.aspx?Source=http%3A%2F%2Fwww%2Egbta%2Eorg%2Flists%2Fnews%2FAllitems%5Fall%2Easpx](http://www.gbta.org/PressReleases/Pages/RLS_063015_Foundation.aspx?Source=http%3A%2F%2Fwww%2Egbta%2Eorg%2Flists%2Fnews%2FAllitems%5Fall%2Easpx)



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