

# Understanding Pre-Authorisation Charges: What You Need to Know

## What is a Pre-Authorisation Charge?

A **pre-authorisation charge** is a temporary hold placed on a customer's credit or debit card to verify that the card is valid and has sufficient funds or credit available. Unlike a typical charge that immediately deducts funds from the account, a pre-authorisation does not result in an actual debit but rather places a hold on a specified amount.

## How Does Pre-Authorisation Work?

1. **Authorisation Request:** When a pre-authorisation is initiated, the merchant sends a request to the card issuer to place a hold on a specified amount. This is done through the payment processing network.
2. **Hold on Funds:** The card issuer places a hold on the amount requested, which temporarily reduces the available balance or credit limit on the card.
3. **Final Transaction:** Once the final transaction amount is determined (e.g., at checkout or upon completion of services), the merchant either completes the charge or releases the hold if no charge is required.
4. **Release of Hold:** If the final transaction is less than the pre-authorised amount, the hold is adjusted accordingly. If no final transaction is made, the hold is typically released after a certain period, usually within a few days to a week.

## FAQs

## **I Canceled My Order, Why Am I Charged \$1?**

The \$1 charge is a pre-authorisation made by SpinTel when you sign up to verify that your card is valid and has sufficient funds. This also applies if you update your card details after joining. It's a temporary hold and not an actual charge.

## **Why Am I Seeing Multiple \$1 Charges?**

Each order you place has a pre-authorisation hold to verify your payment method. These holds are temporary and will be released once the orders are processed.

## **How Many Days Will the Charge Be Reversed?**

The pre-authorisation hold is usually reversed within 5-7 business days, depending on your bank or card issuer.

## **Will I See the \$1 Charge on My Statement?**

Yes, you might see the \$1 pre-authorisation on your statement, but it is not a final charge. It will be released after the verification process.

## **What Should I Do If the Hold Doesn't Get Reversed?**

If the pre-authorisation hold isn't reversed after 7 business days, let us know or contact your bank to ensure the hold is properly released.

## **How Does Pre-Authorisation Affect My Available Balance?**

During the pre-authorisation period, your available balance or credit limit will be temporarily reduced by the amount of the hold. This does not reflect a final charge.

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