Claims

1. A payment system, comprising:

a payment network enabling a plurality of merchants to receive settlement payments from an issuer that issued a credit device to a consumer, the credit device allowing the consumer to make purchases from the plurality of merchants using funds from a credit account associated with the consumer;

a credit processor configured to manage and store information regarding credit available to the consumer from the credit account, the credit processor in communication with the merchants via the payment network;

a points processor configured to manage and store information regarding points that are available to the consumer, the points being a representation of a non-fiat currency; and

a funding device in communication with the credit processor and the points processor, the funding device configured

to access information regarding the credit available from the credit account by querying the credit processor,

to access information regarding points available to the consumer by querying the points processor,

to receive rules that were pre-selected by the consumer before the consumer begins a transaction with a first merchant of the plurality of merchants,

to use the rules to determine use of the available credit and the available points for completing the transaction with the first merchant, and

to determine whether the transaction is approved based at least on the available credit and the available points, and to communicate an approval to the credit processor when the transaction is approved;

the credit processor further configured, after receiving the approval from the funding device when the transaction is funded using points or a combination of credit and points, to communicate approval of the transaction to the first merchant with an approval message that is the same as an approval message used for a credit purchase via the payment network so that the transaction appears to the first merchant as a regular credit transaction when points or a combination of points and credit are used to pay for the transaction and the merchant is

not informed that points were used to fund the transaction as part of the transaction approval, and

wherein the funding device is further configured, after the credit processor communicates approval of the transaction and the preselected rules indicate the transaction is to be completed with points or a combination of points and credit, and the points available to the consumer are sufficient to complete the transaction according the preselected rules, to cause the credit processor to alter or modify the regular credit transaction to create a new transaction where points available to the consumer are used for all or part of the new transaction.

2. The payment system of claim 1, wherein the first merchant is an unrestricted merchant that requires no action regarding the available points, requires no modification of a point-of-sale (POS) terminal, and requires no membership or network of preferential merchants.

3. The payment system of claim 1, wherein the credit account is associated with a loyalty points account, and the points are points from the loyalty points account.

4. The payment system of claim 1, further comprising an account management device configured to store the consumer pre-selected rules regarding the use of available credit and available points for completing transactions, the account management device in communication with the funding device and transmitting information indicative of the pre-selected rules to the funding device.

5. The payment system of claim 4, wherein the account management device receives input communicated from the consumer to pre-select the rules regarding the use of available credit and available points.

6. The payment system of claim 5, wherein the account management device is configured to receive the consumer input to select the rules using one of a smart phone, a computer, a telephone call center, and a mailed paper form.

7. The payment system of claim 4, wherein the pre-selected rules are applicable at various levels to account for all transactions, classes of transactions, or specific transactions.

8. The payment system of claim 1, wherein the credit device is one of a credit card, a payment card, and a proxy device.

9. The payment system of claim 1, wherein, if the pre-selected rules define a transaction as being paid by points when points are available and when the available points are insufficient to cover the entire costs of the transaction, the pre-selected rules further indicate at least one of: (a) a rejection of the transaction for insufficient funds, (b) a funding of the entire costs of the transaction by the credit available from the credit account, and (c) a partial funding of the transaction by points and a partial funding of the transaction by the credit available from the credit account.

10. A transaction management system comprising:

a credit processor configured to manage and store information regarding credit available to a consumer, the credit processor in communication with a merchant, and configured to receive information from the merchant related to an attempted credit transaction by the consumer, the attempted credit transaction being made without providing any indication to the merchant that points will be used in the transaction;

a points processor configured to manage and store information regarding points available to the consumer, the points representing a non-fiat currency; and

a funding device in communication with the credit processor and the points processor, the funding device configured

to receive information regarding the consumer's available credit from the credit processor and the consumer's available points from the points processor,

to receive information representative of rules pre-selected by the consumer prior to the attempted credit transaction being initiated by the consumer, the rules indicating how to allocate available points to transactions,

to apply the pre-selected rules to determine the use of available credit and available points for completing the attempted credit transaction between the merchant and the consumer,

to determine whether the transaction is approved based at least on the available credit and the available points,

to, responsive to the transaction being approved and according to the pre-selected rules, to cause available points to be used to partially fund the transaction, and

to, when a transaction is approved and partially funded with points, cause an approval message to be sent to the merchant that appears to the merchant as a regular credit transaction without the use of points, regardless of available points being used to at least partially fund the transaction so that the merchant is not informed that points were used to fund the transaction as part of the transaction approval,

wherein the funding device is configured, responsive to the approval and based on the consumer preselected rule, to communicate with the points processor to deduct an appropriate number of points from the user's points account in a points database and to communicate with the credit processor to deduct an appropriate credit from the user's credit account in a credit database.

11. The transaction management system of claim 10, wherein the transaction is conducted at a merchant point-of-sale (POS) terminal and the funding device uses at least a portion of the available points without any action required on the part of the merchant beyond a normal credit transaction and without modification of a POS terminal associated with the merchant.

12. The transaction management system of claim 10, wherein the funding device is configured to determine whether the transaction is approved based at least on the available credit and the available points, and when the transaction is approved and the transaction is to be funded at least partially by points, the funding device causes an approval message to be sent to the merchant without indicating to the merchant that points have been used to fund the transaction.

13. The transaction management system of claim 10, further comprising an account management device, in communication with the funding device, configured to store the pre-selected rules regarding the use of available credit and available points for completing transactions.

14. A method for conducting a financial transaction using a funding device configured to automatically integrate points, the points being a non-fiat currency representation, into non-points credit transactions in a payment network for credit payments, the method comprising:

receiving at the funding device consumer pre-selected rules for the use of points in credit transactions involving a consumer's account, the consumer's account including both an associated credit account and an associated points account;

during a credit-based financial transaction from a merchant's POS terminal, receiving at the funding device information identifying the consumer's account transmitted from the POS terminal via the payment network;

determining, using the account identifying information, that the account includes an associated points account;

the funding device, based on the consumer pre-selected rules and without instructions regarding use of points being input at the POS terminal, communicating with a points processor to deduct points in a points transaction and with a credit processor to deduct credit in a modified credit transaction, a combined value of the modified credit transaction and the points transaction funding the financial transaction and causing an approval message for the financial transaction to be communicated to the POS terminal that is the same as an approval message for a credit transaction so that the POS terminal is not informed of the use of points in the financial transaction; and

the funding device causing a settlement payment to be provided to the merchant via the payment network for the financial transaction such that the financial transaction appears to the merchant as a regular credit card transaction.

15. The method of claim 14, further comprising:

prior to the transaction at the POS terminal, receiving from the consumer input to select the pre-selected rules for points via one of a smart phone, a computer, and a telephone call center.

16. The method of claim 15, wherein the pre-selected rules selected by the consumer are applicable to at least one of to all transactions, classes of transactions, or specific transactions of the consumer.

17. The method of claim 14, further comprising :

determining the financial transaction is to be paid at least partially by points according to the pre-selected rules;

determining whether the points account includes available points sufficient to cover all costs of the transaction; and

responsive to the available points being insufficient to cover all costs of the transaction, partially funding the transaction by points and partially funding the transaction by credit.

18. The method of claim 14, wherein deducting points from the points account and/or credit from the credit account, as applicable, based on pre-selected rules occurs after providing the settlement payment to the merchant, the method further comprising:

conducting an original credit card transaction with the merchant; and

modifying the original credit card transaction to create a new transaction based on the use of available credit and available points.

19. The payment system of claim 1, wherein the payment network does not provide for the acceptance of points by the merchant for completing the transaction, the funding device being configured to cause the payment by points to be converted or modified into a payment by credit, as seen by the merchant.

20. The system of claim 10, wherein the funding device is configured to communicate in real time during a transaction with the credit processor to deduct credit and the points processor to deduct points.

21. The system of claim 10, wherein the funding device is configured to communicate in a batch mode for multiple transactions with the credit processor to deduct credit for the multiple transactions and the points processor to deduct points for the multiple transactions.

22. A payment system, comprising:

a payment network enabling a plurality of merchants to receive settlement payments from an issuer that issued a credit device to a consumer, the credit device allowing the consumer to make purchases from the plurality of merchants using funds from a credit account associated with the consumer;

a credit processor configured to manage and store information regarding credit available to the consumer from the credit account, the credit processor in communication with the merchants via the payment network;

a points processor configured to manage and store information regarding points that are available to the consumer, the points being a representation of a non-fiat currency; and

a funding device in communication with the credit processor and the points processor, the funding device configured

to access information regarding the credit available from the credit account by querying the credit processor,

to access information regarding points available to the consumer by querying the points processor,

to receive rules that were pre-selected by the consumer before the consumer begins a transaction with a first merchant of the plurality of merchants,

to use the rules to determine use of the available credit and the available points for completing the transaction with the first merchant, and

to determine whether the transaction is approved based at least on the available credit and the available points, and to communicate an approval to the credit processor when the transaction is approved;

the credit processor further configured, after receiving the approval from the funding device when the transaction is funded using points or a combination of credit and points, to communicate approval of the transaction to the first merchant with an approval message that is the same as an approval message used for a credit purchase via the payment network so that the transaction appears to the first merchant as a regular credit transaction when points or a combination of points and credit are used to pay for the transaction and the merchant is not informed that points were used to fund the transaction as part of the transaction approval.