

E-PAYMENT

CHAPTER - 3

MEANING OF E-PAYMENT SYSTEMS

- E-Payment systems is a making payments over an electronic network such as the internet.

MEANING OF BUSINESS TO CONSUMER PAYMENT

- Selling individual products to individual buyers, usually on cash payment basis.

MEANING OF BUSINESS TO BUSINESS PAYMENT

- Business to business (B2B) describes commerce transactions between businesses, such as between a manufacturer and a wholesaler or between a wholesaler and a retailer

MEANING OF CREDIT CARD PAYMENT

- Credit card payment is a payment made to buy something using a credit card. It is a regular payment made by the user of a credit card to a credit card company to pay for what they have bought using the card and any interest.

- **MEANING OF DEBIT CARD PAYMENT**

- A Debit card is a plastic payment card that provides the cardholder electronic access to their bank account at a financial institution.

MEANING ACCUMULATING BALANCE PAYMENT

- Accumulating balance payment is the system that allows users to make multiple purchases, which will be totalled up and billed for at the end of a time period.

ONLINE STORED VALUE PAYMENT

Online stored value systems are a form of electronic payment technology. It has very low transaction cost. They are based on creating a form of electronic value.

DIGITAL WALLET

- Digital cash is a system of purchasing cash credits in relatively small amounts, storing the credits in your computer and then spending them when making electronic purchases over the internet.
 - **MEANING OF AGILE WALLETS**
- A digital wallet refers to an electronic device that allows an individual to make electronic commerce transactions. This can include purchasing items online with a computer or using a smart phone to purchase something at a store.

MEANING SMART CARD

- Smart card is a plastic card with a built in microprocessor, used typically to perform financial transactions.

- **MEANING OF DIGITAL CHEQUES**

- Digital cheques are a form of payment made through the internet that is designed to perform the same function as a conventional paper check. It can be processed in fewer steps and has more security features than a standard paper check

SET

- Secure Electronic Transaction

SET PROTOCOL

SET Protocol is an open standard for the e commerce industry developed and offered by master card and visa as a way to facilitate and encourage improved security for credit card transactions.

ADVANTAGES OF E-PAYMENT SYSTEMS

1. **Time savings.** Money transfer between virtual accounts usually takes a few minutes, while a wire transfer or a postal one may take several days. Also, you will not waste your time waiting in lines at a bank or post office.

2. **Expenses control.** Even if someone is eager to bring his disbursements under control, it is necessary to be patient enough to write down all the petty expenses, which often takes a large part of the total amount of disbursements. The virtual account contains the history of all transactions indicating the store and the amount you spent. And you can check it anytime you want. This advantage of electronic payment system is pretty important in this case.

3. **Reduced risk of loss and theft.** You can not forget your virtual wallet somewhere and it can not be taken away by robbers. Although in cyberspace there are many scammers, in one of the previous articles we described in detail [how to make your e-currency account secure](#).

4. **Low commissions.** If you pay for internet service provider or a mobile account replenishment through the UPT (unattended payment terminal), you will encounter high fees. As for the electronic payment system: a fee of this kind of operations consists of 1% of the total amount, and this is a considerable advantage.

- **5. User-friendly.** Usually every service is designed to reach the widest possible audience, so it has the intuitively understandable user interface. In addition, there is always the opportunity to submit a question to a support team, which often works 24/7. Anyway you can always get an answer using the forums on the subject.

6. Convenience. All the transfers can be performed at any time, anywhere. It's enough to have an access to the Internet.

DISADVANTAGES OF E-PAYMENT SYSTEMS

- **1. Restrictions.**
- Each payment system has its limits regarding the maximum amount in the account, the number of transactions per day and the amount of output.
- **2. The risk of being hacked.**
- If you follow the security rules the threat is minimal, it can be compared to the risk of something like a robbery. The worse situation when the system of processing company has been broken, because it leads to the leak of personal data on cards and its owners. Even if the electronic payment system does not launch plastic cards, it can be involved in scandals regarding the Identity theft.
- **3. The problem of transferring money between different payment systems**

Usually the majority of electronic payment systems do not cooperate with each other. In this case, you have to use the services of e-currency exchange, and it can be time-consuming if you still do not have a trusted service for this purpose. Our article on [how to choose the best e-currency exchanger](#) greatly facilitates the search process.

4. The lack of anonymity. The information about all the transactions, including the amount, time and recipient are stored in the database of the payment system. And it means the intelligence agency has an access to this information. You should decide whether it's bad or good.

5. The necessity of Internet access. If Internet connection fails, you can not get to your online account.