

# Online payments



**Level B2**

# 1. Vocabulary review

**Before you read.** In pairs, prepare a 'digital payment checklist' – a list of features that an online merchant should take into consideration when choosing payment processors.

**Vocabulary.** Fill the gaps in the text below with one of the words from the list. Warning: in many cases, you may have to change the form of the word.

manage	setup	transact	require	wallet
protocol	fraud	concise	finalize	plan
month	support	pre-pay	method	settle
account	document	credit	statement	discount
host	debit	currency	downtime	sign-in



## The Complete Digital Payments Checklist for Entrepreneurs

[www.tech.co](http://www.tech.co)

By Eric Feinstein     December 26, 2015

### 1. Find Out Which Currencies and Payment Methods Your Target Audiences Will Want to Use

- Digital \_\_\_\_\_: customers make payments or purchase goods through websites and mobile apps. For example, the new PayPal service links all cards, (Visa and MasterCard) and also allows customers to transfer money directly from their bank accounts. Another example is Apple Pay, which lets users make payments using authenticated Apple devices.
- \_\_\_\_\_ cards: These are neither \_\_\_\_\_ nor \_\_\_\_\_ cards, but are all electronic and “filled” by the customer in advance, eliminating the need to even have a bank account. The user cannot overspend, only being able to use the amount that is on the card.
- Digital cards: Both Visa and MasterCard have introduced innovative systems to simplify the checkout experience using a secure, single \_\_\_\_\_ through integration into merchants' websites and mobile shopping apps. This makes life easier for users and more secure for merchants.

## 2. Choose a Payment Processor to Work With

Choosing a payment processor can be confusing and overwhelming. You need to consider a multitude of characteristics, such as:

- Costs: All payment processors have different fee structures. Areas to consider include:
  - \_\_\_\_\_ fees
  - Merchant account fees
  - \_\_\_\_\_ fee
  - \_\_\_\_\_ costs
  - Processing volume \_\_\_\_\_
  - Chargeback fees
  - Discount rate – a fee that is charged by the payment processor based on the transaction amount. It is usually a percentage of the transaction amount.
- Features and Options: Make a list of required features and “nice-to-have” features when comparing providers. Some features to consider include:
  - Processing in various \_\_\_\_\_
  - Accepted payment \_\_\_\_\_
  - Mobile payment processing
  - Integration process
  - Fully customized \_\_\_\_\_ payment page
  - \_\_\_\_\_ frequency
- \_\_\_\_\_ handling: Select a provider that pays quickly, on-time, and in your currency of choice.

## 3. Ask Questions

You need to know exactly how effective a payment processing company is and if they will be the right fit for your business. To determine this, you should ask payment processing companies about the following services:

- Security \_\_\_\_\_; are they PCI certified?
- Risk \_\_\_\_\_ and anti-fraud technology – how do they protect your business and customers?
- Chargeback representation success – How effective are they at fighting chargebacks?
- The reputation of the merchant account acquiring banks
- Can they handle the potential growth of your business?
- Customer \_\_\_\_\_ hours and availability

- Hardware, software, and communications/network \_\_\_\_\_
- Integration with your \_\_\_\_\_ software
- Do they offer payment processing solutions in case of \_\_\_\_\_?

#### 4. Documentation

To get your merchant account approved quickly you will need to provide a number of compliance documents. Among them are:

- Bank \_\_\_\_\_
- Incorporation \_\_\_\_\_
- \_\_\_\_\_ plan
- Any payment processing history – at least 3 months, if available
- Passport or ID
- Utility bill in the country of incorporation

#### 5. Designing Your Payment Page

How your payment page appears and functions will impact how well your conversion funnel performs and, ultimately, how high your conversion rates are.

- Keep the user experience pleasant and simple by making forms short and \_\_\_\_\_ – this will prevent you from losing sales in the final stage of the conversion funnel.
- Minimize the number of steps a user needs to complete in order to \_\_\_\_\_ the purchase – again, you want to make the payment stage as streamlined as possible to increase conversion rates.
- Consider having a hosted payment page from the payment processor you choose to work with. This might be the easiest option, as it is convenient and secure. Plus, if the payment processor is PCI DSS Level 1 certified, then so is the hosted payment page, meaning your business and your customers are more protected against \_\_\_\_\_.

## 2. New developments



### 10 cutting-edge companies changing the way payments are made

[www.mashable.com](http://www.mashable.com)

BY JOHN RAMPTON    APRIL 16, 2016

With a focus on technology in the finance industry, transactions are in the process of evolving to the point where payments will forever change from traditional methods that have been used for decades.

Being in the payments space for almost two years and helping build products around eCash, I've noticed how businesses need to adapt to the continuous advancements in technology. I've luckily had the opportunity to work with some of the brightest minds in the industry, and have gotten to know many of the companies revolutionizing the space.

At the forefront of these changes are numerous outlets offering disruptive processes and products. Here are ten companies forever changing how consumers and businesses make payments online:

#### 1. Trulioo

Compliance is a major challenge faced by many online payment providers. With real-time access to hundreds of secure and reliable data sources around the world, Trulioo's identity verification solution powers fraud and compliance systems for global payment providers, such as PayPal, Stripe and Square, through a single API integration. As a result, Trulioo saves time, reduces operational costs and facilitates a more transparent online identity verification process.

#### 2. EMVCo

Founded and owned by some of the world's largest credit card brands, including American Express, Mastercard and Visa to name a few, this company is behind the introduction of smart debit and credit cards that contain a microprocessor chip to minimize and even stop fraud. It's been so disruptive that the company has influenced significant changes in the payments industry with merchants now being required to switch to this system along with banks and other card issuers. Soon, the days of magnetic stripe cards will be a distant memory.

#### 3. Bitcoin

While Bitcoin is the most well-known, pioneering brand behind cryptocurrency, there are now hundreds of various types of this digital currency that are under debate for the threat — or potential threat — they bring to financial institutions. This decentralized system allows people around the world to buy and sell products while also maintaining anonymity. Besides the financial

possibilities that Bitcoin and other Internet currencies offer, there are even more non-financial applications that may emerge from this disruptive payment solution.

#### **4. Paystand**

PayStand's mission is to use modern Internet and SaaS technologies to transform B2B payments. Their flexible platform enables customers to easily embed online payments into their websites, invoices and mobile applications while maintaining full control of their customer's payment experience. Their unique technology supports cards, ACH, eCheck and eCash in a single system, which promotes choice in digital payments and greatly simplifies tracking and reporting.

#### **5. Stripe**

Also intent on increasing access to payment methods, Stripe has helped marketplaces and businesses take their payment processing to the mobile environment, helping everything from pop-up shops to small businesses compete and market to a much wider audience.

#### **6. Bluedot**

Created as a way to pay tolls through mobile payment options, this Australian startup is now disrupting the transactions space by combining payment processing with geolocation services. Their more comprehensive tool could benefit any company that accepts payments on a location-specific basis.

#### **7. Stratos**

With the advent of digital wallets, Stratos has emerged as a new way to organize all payment cards into one card, including any loyalty, membership and gift cards alongside all credit and debit cards. This simplifies what a person has to carry with him, reducing the risk of loss or theft. With so many cards held by the average consumer, Stratos proves that technology can really simplify lives, including making online and offline payments for all types of products and services.

#### **8. Affirm**

Helping many people obtain and more effectively manage credit is the mission of Affirm. This payments company offers consumers a way to take charge of their credit by creating personalized payment plans. For merchants who use Affirm, this means they can reach a wider audience who previously may not have been able to buy from certain retailers due to poor credit or no credit options.

#### **9. Paymill**

This payment processor allows developers to customize a system fit to their business while still retaining all the security and privacy that customers expect when making online payments. The customization is part of the scalable framework behind this payment processing solution, helping even the smallest business look "big" in terms of how it accepts payments.

#### **10. Square**

Before Square, many small businesses struggled because they were only able to accept a few types of payment methods, especially since transaction fees

for credit cards were so expensive. However, Square has proved that any business can — and should be able to — accept debit and credit card payments without the high transaction fees. They have set a precedent in the payments industry by leveling the playing field for all types of businesses.

The common thread among these payment companies is that technology is streamlining, securing and simplifying the numerous transactions that we make on a daily basis. Additionally, these paperless and mobile solutions are showing how payments can cost less per transaction and be easier for those on both sides of the equation. While these payment systems may continue to evolve, they have certainly disrupted how we all look at transactions.

**Comprehension.** True or false:

- PayPal is Trulioo's client.
- EMVCo was created by three credit card companies.
- Bitcoin is considered a threat to customers and companies.
- Paystand and Stripe are both focused on B2B solutions.
- The original customers of Bluedot were drivers.
- Stratos provides a digital wallet service.
- Affirm is designed for merchants that do not accept credit cards.
- Paymill can only be used by small businesses.

**Vocabulary 1.** Find words in the text that mean the following:

- acting in agreement with the law (1)
- instant (1)
- to make possible or easier (1)
- to reduce (2)
- causing a radical change (2)
- use (3)
- come out (3)
- adaptable (4)
- to incorporate (4)
- to follow (4)
- customers (5)
- complete (6)
- appearance (7)
- to get (8)
- to adjust to one's needs (9)
- adjustable in size (9)
- to have problems (10)

**Vocabulary 2.** Fill the gaps in the sentences below using words derived from words in the previous exercise.

- In Sweden, further movement away from cash continues to come slowly through erosion of cash share of low value payments, through uptake of products like PayPass and \_\_\_\_\_ solutions for transit payments using smartphone applications.
- Offering an integrated buying experience for in-store, online and mobile purchases, Ignite Payments provides \_\_\_\_\_ to meet future growth.
- You can now make payments with your debit or credit card, from anywhere with internet access, via one of our three online payment \_\_\_\_\_.
- According to the French central bank, digital currencies are unlikely to \_\_\_\_\_ existing payments systems anytime soon.
- PayPal has a payment page \_\_\_\_\_ option for its Premier/Business account holders.
- To use the payment \_\_\_\_\_, type in your transaction ID number and click "Check status".
- The \_\_\_\_\_ chip and antenna enable consumers to wave their card, fob, or handheld device over a reader at the point of sale terminal.
- All entities that transmit, process or store payment card data must be \_\_\_\_\_ with PCI DSS.
- \_\_\_\_\_ for PayPal Credit and start enjoying more time to pay!

**Discussion.** Which of the trends / solutions described in the article do you consider the most important? Are there any other new trends you are aware of?

### 3. Going cashless?

**Debate.** Your teacher will divide you into two teams. Your task is to debate the following motion: "All countries should stop using cash as soon as possible". One team will support this motion, the other one will oppose it.

Within your teams, spend some time preparing your arguments. Think about financial, economic, political and all other possible considerations. Think about the impact such a change would have on companies and customers.

After the debate, spend some time reviewing it. Who do you think won? What are your real views on this issue?



#### Sweden Becoming a Cashless Society

<https://www.youtube.com/watch?v=5A4pJx4ZW2A>

**Comprehension.** Answer the following questions:

- What percentage of the economy does cash account for in Sweden, the USA and the Euro area, respectively?
- What percentage of consumer payments are made by cash in Sweden vs. the rest of the world?
- What pros and cons of going cashless does the host mention? Do they include any that you did not cover in the debate?
- Why does the host believe that the possibility of electronic payment systems going down is not a strong argument against going cashless?
- What is said about minimum requirements on credit card payments?

## 4. Bitcoin founder found?



### Is Craig Wright really Bitcoin's creator?

<https://www.youtube.com/watch?v=cEOr-30mc2c>

**Comprehension.** Answer the following questions:

- What was the reaction to Craig Wright's claim that he is Satoshi Nakamoto?
- Why does Wright say he decided to come forward?
- What numbers are mentioned in the video?
- Why is the identity of the founder important?



### Experts: Bitcoin 'Creator' Is 'Con Man'

<https://www.youtube.com/watch?v=R1DjTh6Eq-U>



### Gavin Andresen about Wright as Satoshi Nakamoto

<https://www.youtube.com/watch?v=pNZyRMG2CjA>

**Comprehension.** Answer the following questions:

- What do the skeptics and the believers say?
- What do you think – is Craig Wright Satoshi Nakamoto?