

MERCHANT BEST PRACTICE: E-COMMERCE

It does not matter if you run a small shop or a well-established online store finby offers payment solutions for everybody. With new possibilities in payment services you will get more customers; your customer will get more flexibility when choosing the right payment; and finby will get a satisfied client. Profit (and not only in the financial sense) is on everybody's side.

➤ **What is card acquiring?**

You, as a merchant, give your customers a possibility to pay for the goods with their payment card. Any of your old customers or new clients – regardless of where they live – who own a Visa or MasterCard, can use their card to pay for goods in your e-shop. You only need one thing – a finby account.

➤ **When can I start?**

In order to successfully accept your first transaction, you need to integrate finby's payment system into your e-shop. After some necessary test procedures, you are ready to go live and start accepting card payments.

➤ **How much is it going to cost me?**

finby representative will settle an individual price with you. The pricelist covers common operating expenses connected with account management and technical support, as well as special items connected with card payment processing.

How does it work and what should I be careful about?

I. **Transaction processing**

When accepting card payments you should have at least this information about the customer and his card:

- *Account/card number*
- *Cardholder's name as it is stated on the card*
- *Date of expiry*
- *Cardholder's billing address*
- *Shipping address*

Apart from the above, you should also obtain the following information related to the online order:

- *Cardholder's contact details (e-mail, telephone)*
- *Time and date of the order*
- *Record of the communication with the client*

Your customer will fill in this information when ordering online.

Keep carefully all of the receipts, records and communication with the client. This information may be useful later – in case your customer would claim refund or complain about undelivered goods.

II. Authorization

Firstly, each payment has to be authorized. If the issuing bank authorizes payment, it means that a customer's account exists and money can be transferred to your finby account. However, authorization does not mean verification of the cardholder or the card itself. Authorization also does not mean that the transaction was executed by the real cardholder.

If the bank does not authorize the payment, do not process the transaction, instead, try to find out reasons for the refusal and inform your customer. Otherwise, you risk that the bank withdraws the money from your account.

III. Risk management

In an anonymous web environment there are many risks for merchants. Reduce them!

- **Communicate with your customer** – *an unhappy customer tries to solve problems directly with the bank, This may result to the bank withdrawing money from your account.*
- **Keep payment history to each card used** – *if you have a long-term merchant relationship with your customer, the risk of fraud is lower.*
- **Confirm payment with your customer** – *if there is a high-value order, confirm the order with your customer.*
 - **Do not process payments which have fraud elements:**
 - *Transactions exceeding the limit*
 - *Large orders or many orders of one goods type*
 - *Orders paid with more cards, but with the same shipping address*
- **Confirm suspicious shipping addresses** – *e.g. P.O. Box, hospitals etc.*
- **Monitor transactions** – *more transactions with successive account numbers, unusually many orders with one card can mean fraud.*
- **Be careful with international orders** – *estimate the risk based on the goods type, amount, country where the card was issued and where the goods is to be shipped.*
- *In case you have suspicions, contact your customer with additional question.*