**What is Apple Pay?**

Apple Pay is Apple's system for making purchases at many major retailers or through in-app purchase. With Apple Pay, you'll be able to hold your iPhone up to a credit card terminal.

Then use Touch ID to make a purchase. You'll also be able to buy stuff within apps, such as the Target app, just by using Touch ID at the appropriate time during checkout.

### **How does it work?**

Apple Pay does away with the need to enter a PIN to verify your identity

When making a purchase by using its Touch ID sensor, inbuilt into the iPhone 6 and 6 Plus home button.

Approaching a card reader automatically wakes up Apple Pay - without having to open an app - and pressing a finger to the sensor verifies the payment. Your phone will vibrate and beep to let you know it's been received.

### **Can I return goods I've bought using Apple Pay?**

Yes. Just like how you'd return something you'd paid for on debit or credit card, take the item you'd like to return back to the shop and the retailer will be able to transfer the money back into your account by selecting the card you used to make the payment and holding it near the reader. The member of staff can then process your return.

#### Is Apple Pay secure?

Yes. Apple introduced a two-part hardware-based security solution for Apple Pay. The first lies in your fingerprint, which is required for each transaction. Apple users are familiar with using Touch ID to authorize iTunes purchases, and now Apple is applying the same process for in-store transactions.

But the second hardware solution is the real key to keeping your financial information locked away: the secure element.

Built as a chip and available only in the iPhone 6 and iPhone 6 Plus, the secure element is where your financial information is stored. It is only accessed when a randomized 16-digit number is generated during a transaction. The data stored on the secure element never makes its way onto your phone's software, so even if someone hacked your operating system, there would be no way to extract your financial information.

The secure element found in the iPhones is also safe from hardware attacks. In fact, if a thief dismantled your phone, the secure element would sense tampering and immediately shut down.

In addition to NFC, this is also why previous versions of the iPhone cannot be made compatible with Apple Pay without an Apple Watch

#### Which merchants are already compatible with Apple Pay?

There are already over 220,000 retailers that are compatible with Apple Pay, including McDonald's, Whole Foods and Walgreens. More stores -- including Staples and the Disney Store -- will be getting on board later this year. Be sure to check out our list of business that accept Apple Pay at http://www.cnet.com/news/apple-pay-places/

#### What happens if my phone is lost or stolen?

If your phone is ever lost or stolen, you can lock down Apple Pay remotely. Just visit Find My iPhone on another Apple device or from your browser, and put your Device into "Lost Mode." Apple Pay will be suspended, and your phone will be locked to keep would-be thieves away from your data.