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Student BSC IT First Semester

Topic:

Electronic Payments System of the 21st Century...

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What is an Electronic Payment System

- ❖ Electronic payment is the process where customers make payments by using electronic methods. Whether you want to pay for your favourite food or you want to pay your nearby retailer, you can do it easily via electronic payment solutions.

- ❖ If you are looking to set up an online business, then you need an electronic payment software for accepting payments. You can hire software development team or you can assign your [payment app development](#) task to remote developers. But before you start developing an e-payment system for your business, you first need to know how it works.

How does an electronic payment system work?

- ❖ If you want to implement electronic payments in your business successfully, you first need to acquire information about its process and the participants. The participants include the cardholder, the merchant, the processing bank, issuer, acquirer and the payment gateway. The involvement of all the above factors is necessary for the success of electronic payments.

- ❖ Electronic payments are divided into two categories: recurring customer-vendor payments and single time vendor payments.
- ❖ In single time vendor payments, the cardholder enters card information at the time of checkout to authorize the payment to the merchant's account. Recurring payments are offered to those customers who make regular payments. However, one has to specify that the payment occurs for a specific period.

Use cases of electronic payment systems

- ❖ The world of payments is evolving daily. Electronic payment systems are going to be the future of digital payments. Thus, you need to have proper information about current payment trends to stay ahead of your competitors. Here are the eight latest [digital payment trends](#) that you need to know:

- ❑ **Mobile wallet**
- ❑ **International Remittance**
- ❑ **Peer to peer payment**
- ❑ **Credit Cards**
- ❑ **Debits Cards**

Mobile wallet

- ❖ Mobile wallet is a virtual wallet that stores the card information on a smartphone. Rather than using physical payment methods, one can easily pay for anything by using mobile wallets. Mobile wallets have decreased the dependence over cash for making payments.
- ❖ Due to this, many companies have started focusing on making user-friendly e-wallet payment solutions for providing a seamless payment experience to their customers. Mobile wallets possess high-security measures that stop that can help you to decrease fraudulent activities.

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9:41

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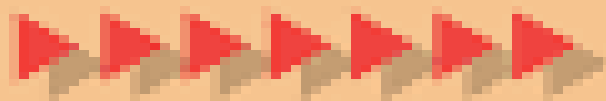
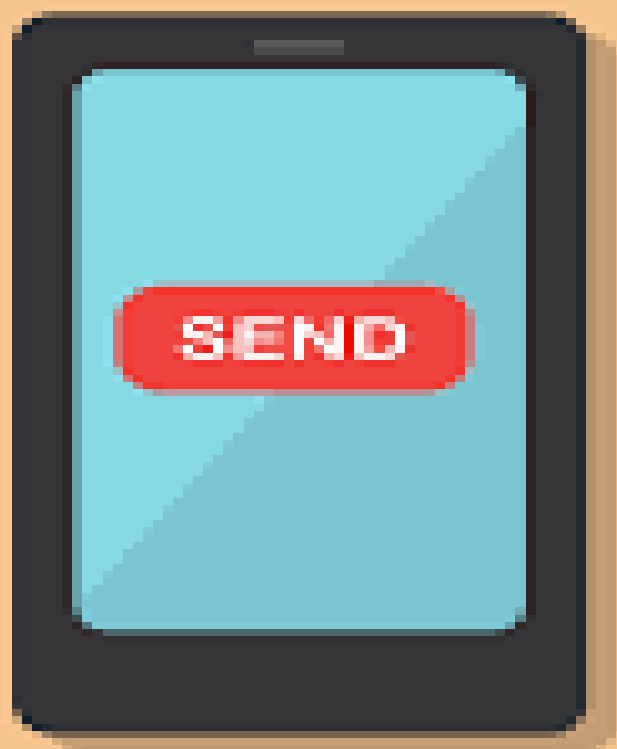


International Remittance

International remittance means the transfer of money by a foreign worker to its family in its home country. In many countries, international remittance possesses a large amount of GDP.

Peer to peer payment

- ❖ Peer to peer payments allows the transfer between two parties by using credit cards or debit cards through a payment e-wallet app. To set up a P2P payment, you need to sign up with your bank account linked with a credit card or debit card.
- ❖ After setting up your account, you can start transferring money to your friends and family. The time for money transfer in the peer to peer transfer differs from one service provider to another.



Credit Payment System

Credit Card – A form of the e-payment system which requires the use of the card issued by a financial institute to the cardholder for making payments online or through an electronic device, without the use of cash.

This card is frequently use on Automatic Transaction Machines(ATM)..

CREDIT CARD



1234 5678 9012 34

CARDHOLDER NAME

08/21



Direct or Debits Card

❖ Direct debit — A financial transaction in which the account holder instructs the bank to collect a specific amount of money from his account electronically to pay for goods or services.

This card is most offend use on a Point of Sale(POS) machines or others payment machines but not ATM

Visa Debit



4000 0123 4567 8910

4000

GOOD
THRU

12/12

DAVID LEE







Advantage of EPS

❑ Increased Speed and Convenience

E-payment is very convenient compared to traditional payment methods such as cash or check. Since you can pay for goods or services online at any time of day or night, from any part of the world, your customers don't have to spend time in a line, waiting for their turn to transact. Nor do they have to wait for a check to clear the bank so they can access the funds they need to shop. E-payment also eliminates the security risks that come with handling cash money.

❑ **Increased Sales**

As internet banking and shopping become widespread, the number of people making cash payments is decreasing. According to Bank rate, more than two-thirds of consumers carry less than \$50 a day, meaning electronic alternatives are increasingly becoming the preferred payment option. As such, e-payment enables businesses to make sales to the customers who choose to pay electronically and gain a competitive advantage over those that only accept traditional methods.

❑ Reduced Transaction Costs

While there are no additional charges for making a cash payment, trips to the store typically cost money, and checks also need postage. On the other hand, there are usually no fees – or very small ones – to swipe your card or pay online. In the long run, e-payment could save both individuals and businesses hundreds to thousands of dollars in transaction fees.

Disadvantage

□ Security Concerns

Although stringent measures such as symmetric encryption are in place to make e-payment safe and secure, it is still vulnerable to hacking. Fraudsters, for instance, use phishing attacks to trick unsuspecting users into providing the log-in details of their e-wallets, which they capture and use to access the victims' personal and financial information. Inadequate authentication also ails e-payment systems. Without superior identity verification measures like biometrics and facial recognition, anyone can use another person's cards and e-wallets and get away without being caught. These security concerns may make some people reluctant to use e-payment systems.

Disputed Transactions

If someone uses your company's electronic money without your authorization, you would identify the unfamiliar charge and file a claim with your bank, online payment processor or credit card company. Without sufficient information about the person who performed the transaction, though, it can be difficult to win the claim and receive a refund.

□ **Increased Business Costs**

E-payment systems come with an increased need to protect sensitive financial information stored in a business's computer systems from unauthorized access. Enterprises with in-house e-payment systems must incur additional costs in procuring, installing and maintaining sophisticated payment-security technologies.



**THANKS FOR
LISTENING**



**Any
Questions?**

