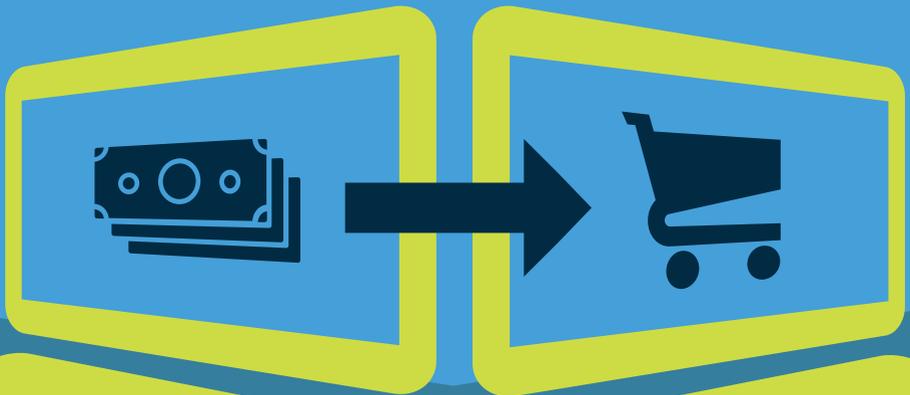


A Guide to Payment Gateways





Do you need a Payment Gateway for your online store? Perhaps you understand the importance of a Payment Gateway, but would like to know more about how they work? If you want to collect credit and debit card payments from your customers, a secure, online Payment Gateway will put you in control.

WHAT IS A PAYMENT GATEWAY?

A Payment Gateway is the service that authorises credit card and debit card payments for online and offline businesses. The gateway itself is simply a secure online link between the merchant and the customer's bank. Sensitive information, such as credit card numbers, needs to be protected from fraudulent parties. This information is encrypted so it can be passed between customer to merchant and payment processor securely. Even if you are taking payments by post, phone or fax, you still need a Payment Gateway.

HOW DOES A PAYMENT GATEWAY WORK?

The gateway carries out a series of tasks when a customer orders a product or service from a merchant. The process works in much the same way as a physical point of sale terminal in a shop or restaurant:

- A customer makes an order and enters their card details;
- If the order is made online, these details are encrypted and sent to the merchant's web server;
- The merchant then forwards the transaction details to their Payment Gateway, which are then sent to the merchant's bank, and onto the card association (VISA or MasterCard);
- The card issuing bank then receives the authorisation request and carries out a number of checks before sending a response code to the Payment Gateway;
- The gateway forwards the response onto the website where it is interpreted and relayed to the merchant and the card holder – and this all takes place in about 2-3 seconds!
- The merchant can fulfil the order and the money from the sale is deposited into their account.

WHAT IS A MERCHANT ACCOUNT?

Merchant accounts and Payment Gateways are often thought to be one and the same. They're not. To take customer payments online you need a Payment Gateway and a merchant account. The merchant account is the place where the funds are held before they are deposited in your account. The job of the Payment Gateway is simply to approve or decline the transaction.



“Our card payment platform is Level 1 PCI:DSS compliant, which is the highest level of security required.”

HOSTED VS. NON-HOSTED GATEWAYS

A Hosted Payment Gateway means redirecting customers away from your website to a securely hosted page where the payment can be made. The customer then returns to the website where their order will be confirmed. Our card payment platform is Level 1 PCI:DSS compliant, which is the highest level of security required.

A non-hosted Payment Gateway allows customers to enter their payment details without having to leave the website they are on. A website will typically have to meet certain technical requirements and have an SSL certificate in place to process payments in this way.

WILL THE PAYMENT GATEWAY PROCESS INTERNATIONAL PAYMENTS?

You will need to check whether the Payment Gateway allows international, multi-currency payments. If the gateway does accept international payments, you should also check whether there are any additional fees. Our service can process card payments for all UK acquirers, across all card types, for all worldwide currencies.

GET IN TOUCH

If you're interested in a Payment Gateway solution, or would like to set up a Direct Debit for regular or one-off payments, speak to London & Zurich today. We will talk you through your options and help you understand every aspect of this cost-effective payment option.

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