

# Digital and Contactless Payments

Ensuring customers can pay by digital means is important. It provides a safe and clean way to exchange money, with no need to transfer coins or notes. Digital payments are increasing in popularity, so for any modern business it is vital to have the option of paying digitally.

## DIFFERENT TYPES OF THIRD PARTY DIGITAL PAYMENT

- **PayPal:** The user's PayPal account is linked to their email address, meaning there is no exchange of personal information. PayPal provides buyer protection. There is also no charge for using PayPal to make a purchase, a positive for the customer. However PayPal does charge the seller between 2 and 3.5%\* of the transaction as a fee.
- **Square:** Used for in-person payments in a retail location and selling online. 1.75% charge for in-person transactions and 1.9%-2.9%\* charge for online transactions.
- **Klarna:** There is a set-up fee, monthly fee and small charge per transaction. Users can pay in 3 instalments interest-free, pay over 36 months for larger purchases or get an extra 30 days to pay.
- **Helcim:** Used for in-person payments in a retail location and selling online. You can create an online store on Helcim. Restaurants can manage restaurant pick-up and delivery. \$20/month\*.
- **Stripe:** 1.4%\* + 20p on European cards and 2.9%\* + 20p on non-European cards. No set-up, no monthly or hidden fees. This service also supports Apple Pay as an add-on to allow people to use saved card data with Apple based devices where that facility is used in a website.

## CONTACTLESS PAYMENT

- **Contactless cards:** Most cards now have a chip which can be read by card machines and used by tapping the card near the machine.
- **Apple Pay:** Owners of an Apple product can use their device to make purchases without using their physical card.
- **Samsung Pay:** Owners of a Samsung product can use their device to make purchases without using their physical card.
- **Google Pay:** Users need to download the Google play app on their device. Users can pay through the app without using their physical card.

\*Charges correct at time of print.

## POSITIVES

- **Crime:** With no physical money, chances of robbery are reduced.
- **Tax:** With digital payments comes a paper trail, meaning you can review all transactions.
- **Currency exchange:** If customers using a different currency want to purchase from your business, exchange rates are calculated for you.
- **Trends:** You can analyse your transactions, and use the data to get valuable insights e.g. what time of the month people buy a certain product.
- **Fake:** There is no risk of accepting fake notes.

## RISKS

- **Technology:** Some people are less familiar with contactless payment methods and less inclined to purchase as they aren't comfortable.
- **Technical:** If there are technical issues, payment machines can go down and you cannot process.
- **Overheads:** Many 3rd parties, banks and businesses charge an overhead fee for digital transactions.
- **Data:** Some customers are worried about sharing their personal information with businesses.
- **Access:** Some customers may not have the financial stability, they find it difficult to use digital payment methods, as using cash provides a tangible experience of exchanging money.

## CLICK & COLLECT

By limiting the time a customer is in your store, you are reducing the amount of interaction they have with staff and other customers. If customers are using click & collect, they will have already paid digitally, meaning the only exchange of goods is the actual product. This will reduce the chance of spreading Covid-19 whilst welcoming customers into your physical store.

