

# Verifone eCommerce What do I need to start?

This document describes what is need to use the Verifone eCommerce solution.

## Before your start

Before you start accepting payments on your website, there are a few things you need to do. And one of them is signing a contract with an acquirer. So, what's hiding behind this *acquirer* term and why do you need one?

The **acquirer**, also known as a credit card bank, acquiring bank or merchant bank, is a bank or financial institution, licensed as a member of a card association (like Visa or MasterCard), that process electronic transactions and receive electronic payments. Both Visa and MasterCard have their own regulations and lists of compliance requirements to become an acquirer.

An **acquirer** will charge a **merchant** varying fees which are detailed in their agreement. Most acquirers charge a per transaction fee as well as a monthly fee. The acquirers per transaction fees cover the costs associated with network processing. Monthly fees may also be charged to cover various other servicing aspects of the account.

Verifone support these acquirers: Bambora, Elavon, Handelsbanken, Kortaccept Nordic AB, Swedbank/Babs, Teller.

## What's the role of the acquirer in the payment process?

Whenever a cardholder uses a credit or debit card in a purchase, the acquiring bank either authorizes or rejects the transaction based on the data from the issuing bank and card network. In short, the acquiring bank receives the payment authorization request from the merchant and then sends it to the issuing bank for approval. If the purchase is approved, the funds are deposited into the merchant's account (usually at regular intervals).

## What about security?

Acquiring banks also take the risk and responsibility for processed transactions. This is why the acquirer charges various fees (usually a percentage of total merchant's sales) for its services, such as transactions, refunds and chargebacks, to name a few.

It is also important to note that online transactions come with a high risk of sensitive data breach, so all parties involved in the credit and debit card payment process, including the Verifone, must follow security standards for fraud prevention. Such standards can be found in the **PCI-DSS** - Payment Card Industry Data Security Standard.

PCI-DSS is handled by Verifone in a hosted pages solution, but must be handled by the merchant in a server to server integration.

## 3D Secure

To accept eCommerce payments, you must also have an agreement for **3D secure**.

## What is 3D Secure?

**3D Secure** (3-domain secure), also known as Payer Authentication is a security protocol to prevent fraud in transactions with credit and debit cards online. Currently, this service is provided by Visa and MasterCard under the name Verified by Visa and MasterCard SecureCode, respectively.

**Payer Authentication** is a three-part process. The parties involved are the seller, the buyer (the bank that processes the payment) and card issuers (i.e., Visa or MasterCard).

**3D Secure** will automatically request for the **3D Secure** password/verification each time a cardholder buys something online from participating retailers where the card support it, and no transaction online would be able to take place without it. However, it may happen that despite being registered for **Payer Authentication** you will not be asked for the password when shopping online. It simply means that the retailer you are buying is not participating in the scheme.

Verifone however require all connect eCommerce merchants to support **3D secure**.

Registration password/verification for each card must be made independently and cannot be cancelled. However, in case, that credit card or debit card is renewed, there's no need to record the replacement card again in the scheme. If card cancellation occurs, the service is automatically canceled along with it.

## Advantages of 3D Secure

One of the advantages of 3D Secure is that it reduces fraud. It also makes shopping/commerce safer online, nourishes brand loyalty, it is easy to use, customer confidence improves on websites and therefore increases spending online.

## Service Restrictions

3D Secure has certain limitations: first, not all cards are currently participating in the program authentication payer scheme and secondly, it does not restrict chargebacks to happen but reduces the cost of fraudulent chargebacks.