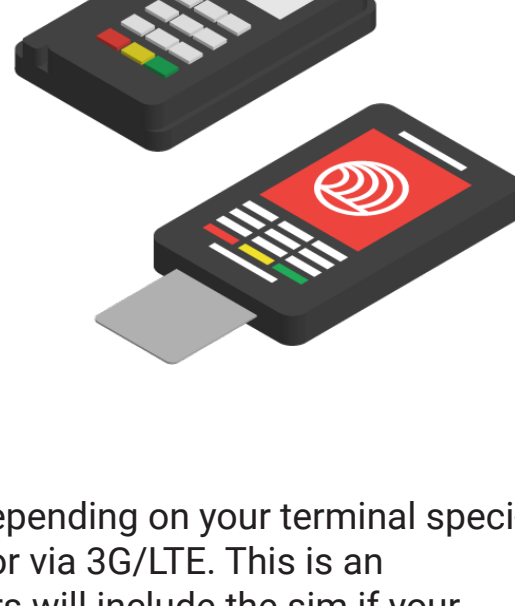


Breaking down the costs of taking payments

What is EFTPOS?

Electronic funds transfer at point of sale (EFTPOS) is a payment terminal which allows merchants to accept cards payments, such as debit or credit cards at the device. Payment terminals have evolved over time and now accept more than just card payments. They now accept alternative payments such as, contactless payments (NFC) and QR payments. To put it into simple terms they are the device in which your customers interact with when making a payment.

EFTPOS terminals require an internet connection, depending on your terminal specifications this could be a wired ethernet connection or via 3G/LTE. This is an additional monthly cost. Generally EFTPOS providers will include the sim if your terminal is connected via a 3G/LTE connection.



How to get EFTPOS?

There are 2 options when it comes to getting EFTPOS.

1. Lease

These are typically a 36 month term and is a monthly cost. Some providers include the cost of support, upgrades and terminal replacements should any faults appear. You can choose to extend your contract at the end of your term.

2. Buy

EFTPOS providers will also have the option for you to purchase the terminal outright if you do not want to lease your terminal. You will pay an upfront cost for the device and providers generally will offer a monthly charge for support and software updates. Terminal replacements if any faults appear will be an additional charge.

NOTE:

EFTPOS terminals have hardware & software expiry dates (sunset) dates also known as a disconnection date, is the last date that a particular hardware or software version is able to connect to and transact on the payment networks. The hardware version is set by the PCI Security Standards Council. This is to ensure that the device has up-to-date security to avoid fraud.



What's the difference between 'Integrated' and 'Standalone'

Integrated

Integrated payment solutions are when your EFTPOS terminal communicates with your other business software. The most common example of this is when you enter a sale on your Point-of-Sale (POS) and the amount appears on the terminal for payment processing.



Pros:

- Reduce chances of human errors
- Improved accuracy & reconciliation

Cons:

- POS software may have an additional monthly cost
- Your terminal provider and POS will need to have an integration

Standalone

A standalone payment solution is when your EFTPOS terminal is not required to connect to any other software. You will enter the amount of the sale and then pass the terminal to your customer for payment.



Pros:

- No third party software is required

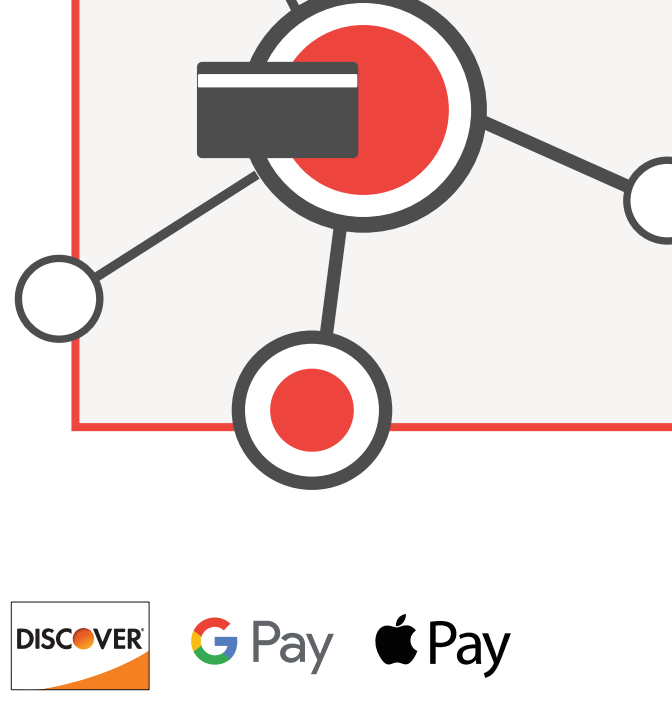
Cons:

- Slower payment experience

Payment Schemes / Networks

Payment schemes / payment networks provide a way for transactions to be processed. This can be broken down to card schemes and debit schemes. Each scheme charges different rates per transactions, these will be reflected in your merchant service fees.

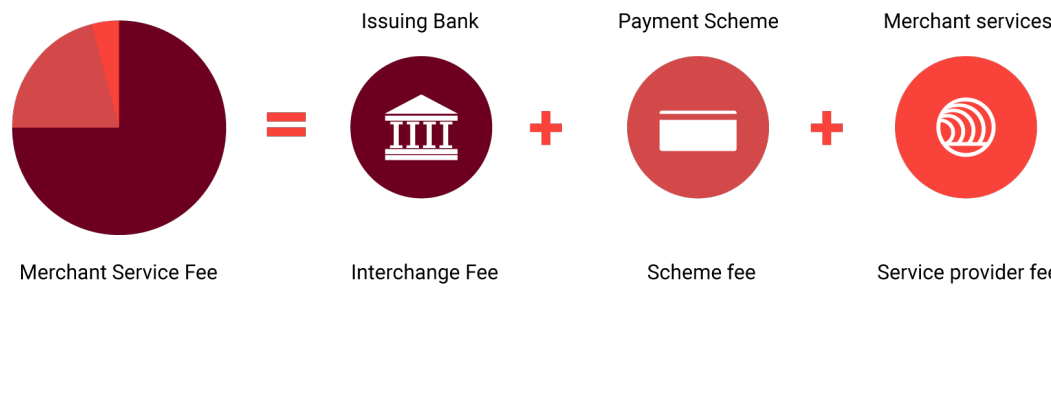
Debit networks depending on your region can charge a monthly fee and allow for unlimited transactions or charge a flat fee per transaction.



Merchant Service Fees

Merchant Services is a financial service that allows a business to accept card and other forms of payments. All payment types will incur some form of a fee. Merchant service providers act as the intermediary between the banks and the person wanting to purchase goods or services.

The merchant service fee (MSF) applies to all transactions and is typically calculated in a percentage for credit schemes and a flat rate for debit schemes.



Blended

You will have **one rate** for each transaction regardless of the card scheme. This provides a simple pricing model with certainty for your merchant service fees at the end of the month.

Interchange ++

Your rates will be split into **three components**, the interchange fees, card scheme fees and the service provider fees. This will be the most transparent pricing model, but also the most complex in the different pricing models.

Pricing models for MERCHANT SERVICES

Interchange +

Your rates will be split into **two components**. The interchange fees on the one hand and the service provider and card schemes on the other hand. This provides more transparency in the interchange fees.

Contactless payments

Tap & Go / Paywave / NFC

Accepting contactless payments means your customers will simply hold their card or phone to a contactless-enabled terminal to complete their transaction, processing the payment in seconds.

There are costs associated with accepting contactless payments – this could be a percentage of the transaction, or a flat fee per transaction and will be included in your merchant service fees.



Not a brick & mortar?

Online Payment Gateway

A payment gateway is the equivalent of an EFTPOS terminal, but for accepting payments online. It securely captures a customer's payment details and routes the information through a payment network. This is typically charged as a fee per transaction with no option to lease or buy.

Merchant Services

Just like with payments through an EFTPOS terminal, online payments also incur a merchant service fee as explained above.

Online transactions incur different merchant service fees to in-store payments.

In most cases accepting a payment through an online application like a website or app will incur higher fees than processing the same card through an EFTPOS terminal.



Interested in learning more?

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