

Understanding Card Payments in NZ

There are '3 pieces' of the puzzle when it comes to accepting card payments in New Zealand.

1.

EFTPOS terminal

EFTPOS terminals are physical devices that are designed to be able to securely read EFTPOS, debit and credit cards.

EFTPOS terminals can be integrated (where they connect to a Point of Sale software system) or Standalone.

EFTPOS terminals are available as a lease or purchase option. Leasing is the most popular option and contracts are usually for 36 months. Some providers may also give the option to purchase the device outright, this model will usually also incur a monthly maintenance and support fee.



2.

Payment Network

Payment networks provide a way for EFTPOS terminals to route transactions to the card issuer or bank.

A payment network allows you to accept a wide range of third party cards like Qcard, EPAY Gift Cards or Farmlands as well as EFTPOS and Scheme cards.

The largest payment network in New Zealand charges a monthly fee of \$18.00 per EFTPOS terminal connected to their network.



3.

Merchant Service

Merchant Services is a financial service that allows a business to accept Credit/Debit Cards and other forms of Payments.

Merchant Services incur a fee which is charged on Credit Card and Contactless transactions. This fee generally ranges between 2-5% of the transaction value.

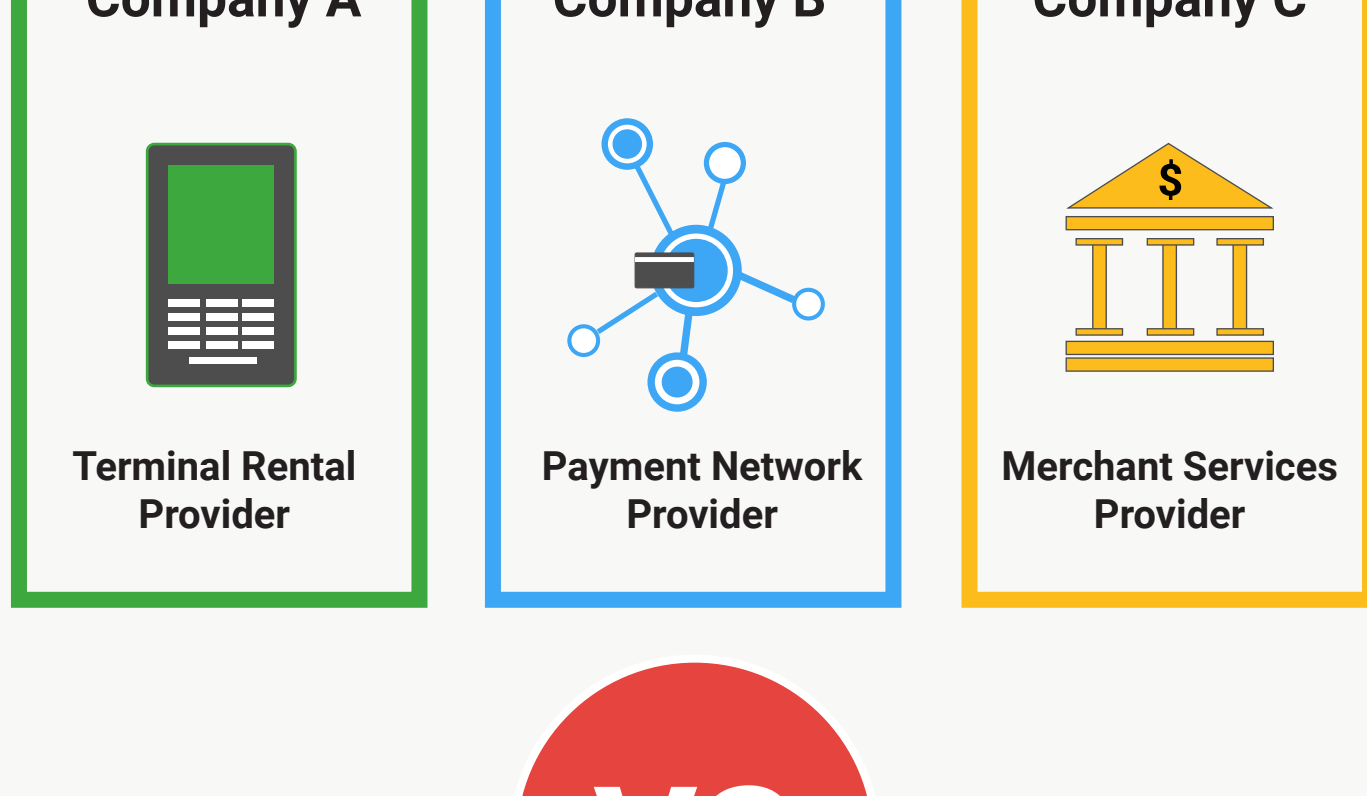
NOTE: There is no charge for EFTPOS/Debit card transactions when they are inserted or swiped. This service is covered by your monthly network fee.



How does Windcave stack against the others?

Traditional Model

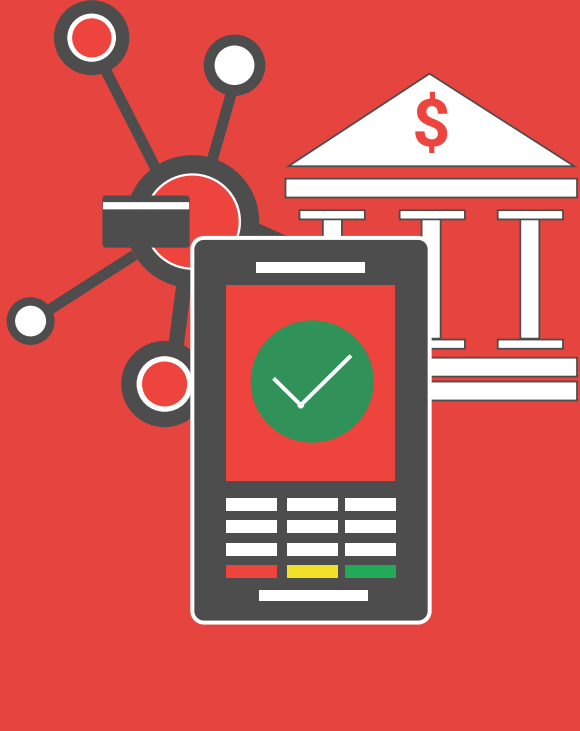
No single point of contact, separate invoicing.



VS

Windcave Model

Single point of contact, one monthly invoice



Terminal Rental

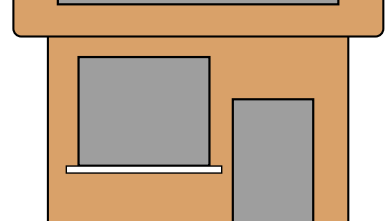
Payment Network

Merchant Services

What does this mean for a merchant?

By comparing models we can see how much Windcave could reduce a typical merchants cost of taking payments in a month.

Example



James Hair Salon



1 x EFTPOS terminal rental

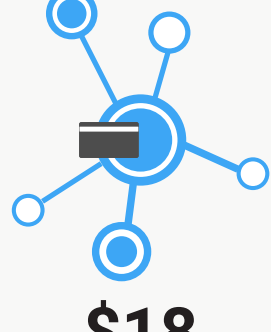


\$25,000 in card transactions

Traditional Model



\$55



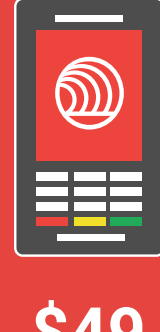
\$18



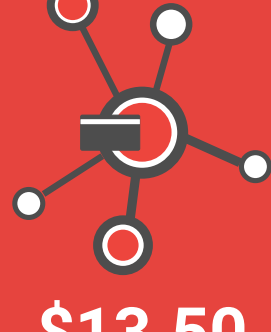
\$875

Total Costs*
\$948

Windcave Model



\$49



\$13.50



\$650

Total Costs*
\$712.50

Potential Savings \$235.50 per month

By consolidating multiple traditional services into a single service, Windcave is able to drastically reduce the costs associated with every component involved in processing a payment.

In this scenario, it could lower of the cost taking payments by 24.8%

Interested in learning more?

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