Convert more European shoppers into paying customers

The United Kingdom has one of the highest consumer credit card adoption rates for online payments, but even then only 60% of consumers choose to use their credit or debit card to transact online. That means you could potentially increase your target audience by 40% and drive online sales simply by offering an alternative to cards on your site.

And the rates get worse in Europe where the number of shoppers in Germany and Sweden who prefer using credit cards for online payments drops to 26% and 34% respectively.[1] Simply put, many consumers cannot transact online using a credit card because they don't have them.

Consumers fear online fraud

With online fraud schemes increasing in number and sophistication, one reason online shoppers shy away from credit card payments is fear of identity theft or having their credit information stolen. Of the online shopping holdouts, 35% of them do so due to concerns about giving out sensitive information online.[2] And who can blame them?

According to APACS, Card-Not-Present (CNP) fraud rose by 18% in the first 6 months of 2014 with 40% of total card fraud losses the result of activity originating overseas. Typically, this type of fraud involves the use of UK card details stolen at cash machines and retailers in countries that have deployed Chip and PIN security.

This is an alarming statistic considering in the first half of 2014, total credit card fraud losses totaled £301.7 million.[3] It's not only online consumers who should be alarmed by these statistics. CNP fraud alone costs banks and retailers more than $500 million a year and this sum does not include debt recovery of fraud originating overseas, which is either cost-prohibitive or impossible to trace.

Convert non-cardholders

So how do you reach the 40% of UK consumers who either cannot or will not transact online with a credit or debit card? Offer other payment options.

Increasingly, consumers are demanding choice, with studies showing that consumers prefer a wide range of payment methods, including electronic bank transfers, e-wallets and other payment methods.[4] In a survey of 2,000 British adults, 50% said that they would cancel a transaction if their preferred payment method wasn't available.[5] And in the UK alone, of the 18 million consumers who use internet banking, 13.7 million use it to make direct payments or transfers to online merchants, making it a necessity for any business wanting to succeed in this market.[6]

Take electronic bank transfer payments

Internet banking or electronic bank transfer payments work by enabling consumers to make payments directly to an online merchant using their internet banking account. Because these payments leverage stringent online banking policies and standards, they ensure customer privacy, security and trust.

The payment process starts at the merchant payment page. After choosing the internet bank payment option, customers are automatically redirected to their banking website where they simply log in to complete the transaction. Both the consumer and the merchant receive instant transaction confirmation.

Easy payments for your customers

With no complicated pre-registration process, internet banking is easier for your customers to use than most other online payment methods. Even more, customers can check their bank balance before making an online purchase, allowing them to better manage their online spending.

More profitable payments for your business

Internet banking can also offer huge advantages to merchants who are looking to save money. Because they are from cleared debit funds, internet banking payments are absolute with negligible charge-backs. Not only that, they also allow online merchants to finally reach the non-cardholder market without the need for costly integrations or acquiring fees.

Get internet banking through a Payment Services Provider (PSP)

Your business is growing and evolving in response to the ever-changing e-commerce world and so should your PSP. Your payment gateway can offer you a host of new payment solutions that capitalize on new opportunities for market expansion, like internet banking and other debit payments. When choosing a PSP, consider the following:

- **Global payment methods.** Does the PSP offer popular payment options for your target markets? Even if you only do business within the UK, it's important to factor future directions into your PSP decision.

- **Multi-channel payment processing.** Find out what other payment channels the PSP offers. Ask if they support MOTO (Mail order/Telephone order), e-wallet, credit card, debit card, internet banking and other types of payments.

- **Technical support.** Your online business doesn't close overnight so your technical support shouldn't either. Ask if your PSP offers 24/7 technical assistance. Streamline payments in and out.

- **Direct customer support.** No matter how well-designed, some customers will encounter errors while they are paying. Find out if your PSP will handle transaction support to minimise customer abandonment.

- **Regulation and compliance.** Protect your business and your customers by only working with a regulated PSP. Confirm their PCI DSS certification and find out if they adhere to local legislative requirements for payment processing.

DID YOU KNOW?

- 18 million UK consumers use internet banking
- Internet banking usage increases by 6.5% each year in the UK [7]
- Online banking customers make 29.2 purchases per year, compared to non-users who only make 16.4 purchases per year [8]
- Electronic bank transfer is the 2nd most popular payment type in Europe

YOUR PSP CHECKLIST

- Multiple payment methods
- Multi-channel processing
- PCI DSS compliance
- Bacs accreditation
- Proven track record
- Quick setup
- Flexible integration options
- Scalability
- Integrated billing and transaction management
- 24/7 merchant support
- Customer and technical support

Choosing a PSP that offers more than just the traditional credit and debit card payments will extend your customer reach, enhance your conversion rates and increase sales. Even with no payment processing experience or a secure platform, you can offer innovative payment tools like internet banking payments by partnering with a proven PSP.