Payment systems

Electronic cheque

Using electronic cheques can be done in the same way as a paper cheque, instead of the person signing the check by pen and paper, the person can sign the cheque online. Electronic cheques are mostly used online for online orders and are handled in the same way a regular paper cheque is. The way in which the customer has to sign an electronic cheque is by using their online digital signature. By using an electronic cheque, it offers great security like protective measures such as authentication and digital signatures. The use of electronic cheque makes transferring funds easy, as they are quickly processed online compared to sending paper cheques through the mail. Although electronic cheques are an efficient way of paying for orders online, there can also be some drawbacks like the fact that by signing electronic cheques online whilst purchasing goods is a slower process than debit or credit cards as they do not require digital signatures, and the goods are only sent off when the cheque is fully processed. When electronic cheques are received by from the payer to the payee, it would take some time for the business to receive the money, and would have to wait for it to come through before sending the payer their goods. Another drawback can also be that some businesses online may charge extra for the use on electronic cheques which may annoy customers.

PayPal

When making payments online, some customers benefit from using PayPal as it ensures a safer way of transferring money online. It is safe and it is also a fast system. If a user were to register to PayPal and allow the website to store their bank details for late use, this would mean that purchasing goods online would be faster for users who register with PayPal, they would be able to make orders more speedy as it would only require a few clicks due to the fact that all their details are already registered with PayPal. After placing orders, PayPal carries out a customers’ payment quickly and directly from your bank account in a quick and safe way. Even if not registered to PayPal and a customer were to use PayPal to purchase goods online, PayPal would never share a customers’ information online or with anyone, they have a secure SSL and are a safe website that customers use daily when online shopping. If a customer is registered, all they need is their email address and password to carry out payments, and then they will quickly be done in just a few clicks. At any time, PayPal could decide to freeze a users account, making it inaccessible to the user, as they will not be able to use their account due to PayPal freezing their balance because they are protecting it from fraud, trying to investigate the account for any suspicious behaviour. When an account is frozen by PayPal, this may take up to some amount of weeks or even months. PayPal can also put your account on hold when they feel like doing so. This means that a user will not be able to access their account or make withdrawals. For a seller using PayPal, they may limit the amount of money you are able to spend within your account if they feel that you have broken the terms of service, or if they suspect general suspicious activity, they may hold your account.

NoChex

NoChex is a way of being able to purchase products online. NoChex provides customers who use their online payment system with easy to use payment services, being able to handle online transactions for users who have debit cards. The benefits of using NoChex is that as a person opening an account it is an easy yet quick process and the fees are quite low. When transferring money from NoChex to your bank account it is a free process and only takes up to 2-4 days for the money to get into your bank account. Another benefit is that NoChex is very secure when it comes to accessing account, for example it provides high security by asking the user to enter different types of passwords or memorable questions. NoChex also carries out a speedy transaction process which is both fast, and free. There are only a few disadvantages of using NoChex which is the fact that people with NoChex accounts have to pay fees in order to receive money

Credit cards

A credit card is a card that stores a good amount of money from a company, given to someone who wishes to use the money to purchase goods with it, although they would have to pay all the money back. The benefit of using a credit card is a quick payment method that it gives customers quick access to cash allowing the customer to spend cash on items that they wish to buy. When taking out transactions, credit cards are secure by the websites’ SSL. Also, if a credit card is lost then the card holder can cancel the credit card. Credit cards have more protection than a debit card, for example when purchasing items, if the company has an issue, such as processing the purchases, or a faulty in the system, the card holder will still be able to claim their money back. Also the credit card is secured if it gets lost and someone uses it as an act of fraud, if this happens the credit card provider will refund the money spent. Another advantage would be that some credit card companies allow costs to be paid interest-free, meaning that the holder has plenty of time to pay the money back. By using a credit card, the person would have to pay back all the money that they have spent in a certain amount of time, and if they were to go over, for example a month, interests are added making the customer pay more than they have spent, causing problems such as debt. Another drawback would be that card holders would have to keep track of all their transactions made whilst purchasing products with their card, so that they are able to know exactly how much they have spent in order to pay it back.

Debit cards

A debit card is money stored in an account that has been earned, such as from a job, belonging to the holder which allows the them to transfer money which is in their bank accounts and take out transactions in order to pay for goods. Benefits of using a debit card to pay for purchased goods is that transactions are recorded by the bank provider, this allows customers that pay with debit cards to keep track of what they have spent with their cards. The money is theirs, as it is a debit card, this means that the customer buying with a debit card isn’t using borrowed money. Apart from providing personal details, whilst using a debit card to carry out online orders, the process only requires information that is on your card to be inputted into the website so they can carry out the purchase. Drawbacks of using a debit card is restricted spending. As it is money that someone has earns such as from a job, unlike a credit card where the holder can spent the amount of cash on anything they wish, a debit card holder has to carry out purchases restrictedly, based on the amount they have inside the account to spend. The process can be a bit slower than having to pay by cash, as it means typing in pin numbers, and waiting for the transaction to be processed. When online shopping, paying with a debit card comes with extra fees.

Which one would you choose?

The payment system that I would choose is PayPal, as it allows me to carry out payments with debit cards with good security, and with a PayPal account, carrying out purchases can be done literally in seconds, being processed quickly, yet securely. Also PayPal is very trustable, they handle orders well and have an email system, letting customers know that their order has been processed.