
Internet Payments via Online Bank Transfer

Posted by SmartPay - 2006/04/09 23:23

Many banks have Online Bank Transfer as an internet payment mechanism. I have come across examples in Canada (Certapay), Netherlands (Ideal/RaboBank Debit Betalen), NACHA (www.project-action.org)

In this scenario the internet merchant transfers the buyer to his/her online banking portal to complete the payment process. The bank performs appropriate authentication further to which the transaction takes place. After this the buyer is redirected to the merchant site to complete the purchase process.

I would like to know what are the measures such payment schemes take in cases where there is a failure during the redirection back to the merchant after completion of transaction at the bank?

Is there some sort of transaction confirmation message/separate offline settlement process that the banks expect before the buyer account is charged ?

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Posted by Editor - 2006/04/09 23:30

In the case of mishaps in redirection to merchant there are basically two options:

1. Merchant uses transaction status inquiry.

If the merchant does not receive info of a successful payment, a message can be created to inquire what the payment status is.

2. Merchant polls account for payments info

Customers can send an inquiry also to see if there are any incoming payments to their account.

Settlement

There are no separate procedures in making the payment. The customer pays, her account is debited and merchant's is credited, after which the merchant is expected to deliver according to consumer rights. In the case there are many complaints regarding a particular merchant, the bank can reconsider its business with the merchant in question.

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