

Direct Debit Payments from eWallet in eCommerce Environment

There is a new payment scenario appearing in the eCommerce landscape – payments directly from a wallet account. Let me describe this use case in this article.

Let's imagine you are a merchant or a marketplace where multiple users are using cards or various local payment methods for payments. It is obvious that Merchant Fee becomes an important cost factor in your business. Sometimes you pay 1%, but sometimes it can go up to 2-3-5%. There are several ways of limiting this cost – like [multi-acquiring](#) described in another article, but one of the interesting ways of doing so is to create a wallet account with an IBAN for the user at the moment of transaction and enable him/her to make a banking transfer in order to charge this account later.

This process can work in the following way:

1. User chooses a product to purchase
2. Merchant informs the user that they will receive a 0.5% discount if they pay by banking transfer
3. User confirms payment and gets an IBAN
4. User transfers money to the IBAN
5. Merchant charges this account

This process can be very useful as after making this transaction it is more likely that the user will repeat this payment process in the next transaction. Thanks to this the merchant can limit their acquiring fees because eventual transaction costs are moved to the user who is initiating a banking transfer in this case. In many countries, a local banking transfer or SEPA transfers are for free, so the users do not have obstacles and can use this payment method any time they come back to the merchant.

In the case of marketplaces, this IBAN can also be used for merchants registered at a marketplace to process a transaction in and out in an effective way.

Please contact us if you are interested in similar use cases.

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