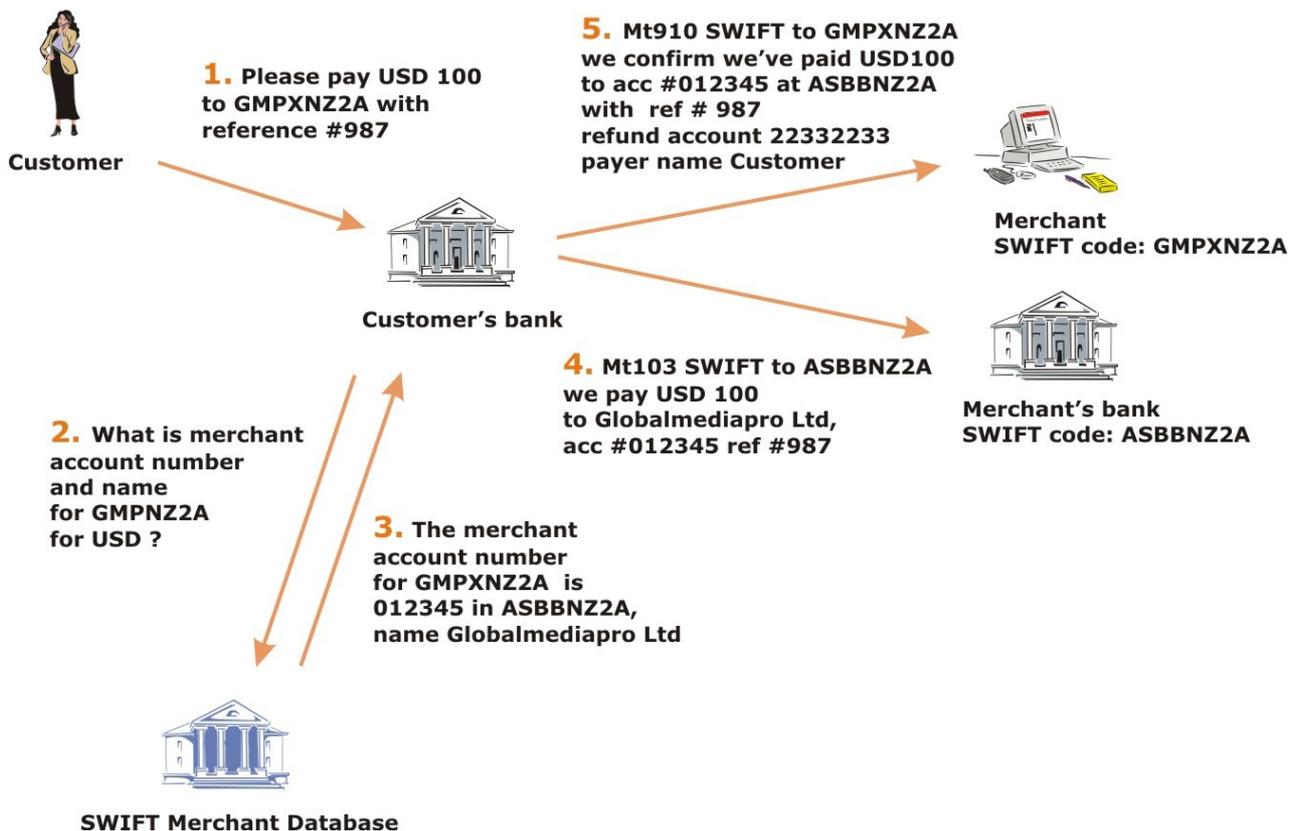


## New Online Payment Scheme Offers Alternative to Credit Cards

Innovative e-tailer Globalmediapro ([www.globalmediapro.com](http://www.globalmediapro.com)) has proposed a new payment scheme designed to provide online merchants with an alternative to credit cards.

The scheme would use a modified wire or bank transfer system to provide merchants with the online payment equivalent to credit cards. Currently, online retailers using existing bank transfer methods of payment must wait at least a day for the payment confirmation to appear in their accounts before processing the order. With the new payment system, businesses who register their bank account with SWIFT and receive a SWIFT code will receive a same day payment confirmation message meaning they can process the order without delay.

The proposed scheme offers similar advantages to that of credit cards; in that payment is recognizable, rapid and provides the information need for a safe refund if required.



### 1. Merchants register with SWIFT

Once registered, Merchants will receive a corporate SWIFT code, (similar to that issued to Globalmediapro.)

As part of the new process, SWIFT would develop a merchant database where the merchant can register its bank account as a merchant account. The SWIFT Merchant Database would allow banks worldwide access to the list of registered merchants accounts.

2. Payment is made to the merchant by the customer.

The customer pays using their bank's online interface (yet to be developed by his bank). They enter the following fields:

a) The merchant's SWIFT code

The customer's bank knows details of the merchant account from the SWIFT Merchant Database.

b) The order reference number

The numeric reference number has an agreed format which allows banks to know if it is a valid reference number. If the payer enters an invalid number, the banking interface will respond with an error message and should ask to enter a correct reference.

c) The order total in the local currency

When the payment is processed the customer's bank:

1. Pays to the merchant bank details using SWIFT MT103 (payment)

2. Sends the merchant an MT910 message (payment confirmation) showing

- the payment amount
- the payment currency code
- the payment reference
- the customer's bank details

It is suggested that the customer's bank generated MT910 message is sufficient confirmation for the merchant to immediately dispatch an order. The payment (MT103) will appear in the merchant account several days later.

The proposed scheme offers similar advantages to that of credit cards; the payment is recognizable (in that it cannot be processed without a correct reference number), offers rapid payment processing time (the MT910 message arrives immediately following payment allowing order dispatch), and payment can be easily refunded (the MT910 contains all customer's bank details required for secure refund).

One of the key differences however is that the payment cannot be charged back without merchant approval.