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ABC's of ECommerce Merchant Account

What are Merchant Accounts?

The process of buying products through the internet has become so convenient that we become unaware that there is actually a complex system of commerce that goes with it. With the birth of the credit card, business owners have realized its potential on making their products more accessible to their target consumers. This is when merchant account providers come into the picture. Merchant account is way for business owners to accept payments through credit cards.

What are Payment Gateways?

Aside from the merchant account provider, there is also a middle party that oversees how the actual exchange of payment information takes place. It is the online version of a cash register. Upon payment, the consumer enters encrypted information into the merchant's web browser. The payment gateway then sends another encrypted information from the merchant account provider then into its acquiring bank and lastly into the issuing bank. The seemingly complicated process of exchanging encrypted information between the different parties takes only around 3 seconds.

What should business owners look for in an eCommerce merchant account provider?

Reputation, integrity and compliance are some of the important characteristics that a merchant account provider should have. Business owners may study the history of the company by looking through the company's financial statements, tax accounts, credit returns and its Dunn and Bradstreet credit file. The merchant account provider should also be properly registered to the Payment Card Industry (PCI) Data Security Standards (DSS) and is insured to the Federal Deposit Insurance Corporation (FDIC). Business owners may also inquire with the Better Business Bureau (BBB) to look for any complaints, if any, that have been filed against the merchant account provider.

Hopefully the information presented so far has been applicable. You might also want to consider the following:

The merchant account provider must also offer a reliable technical support. The technical support must be available for 24-hours through the net or the telephone. Most preferably, there is a qualified technician that would personally respond to any problems associated with either the software or hardware. A few seconds lost through a technical problem would also mean loss of profit.

Business owners should also look into the cost that the merchant account requires from them. There are additional costs to consider other than the typical costs that goes with merchant accounts like interchange fees, transaction fees and monthly fees. There are hosting fees, website maintenance and design costs and website start up fees. Most of the time, the less you pay for these additional costs, the less is the quality you get and the poorer service you give to your costumers.

What are the risks associated?

The risks associated with an eCommerce merchant account provider are basically the same as with the traditional merchant account provider. Fraud is the most common scam in online transactions. Hackers may enter into the system and transfer credits into their own accounts. They may also steal the customers' personal information from the merchant account system and use it for other fraudulent transactions.

Other risks may also be accounted to the part of the costumers. They may falsely claim that the product was not properly shipped, that it was not accurately described as it was on the website or that they may not actually have received. The customer may also complain of unfair or incorrect billing.

What are some of the best eCommerce merchant account providers?

Charge.com easily tops most of the reviews of merchant account providers. Some other highly praised merchant account providers are Merchant Account Express, CyberBit and Electronic Transfer.

About the Author

By Sylvia Richards, please visit the beautiful village of Haven, an online spiritual community [spiritual, psychic, healing](#)

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