

Smart card e- payment methods case study examples

[Business](#), [Company](#)



\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [PayPal](#) \n \t
2. [DHGATE. com](#) \n \t
3. [References](#) \n

\n[/[toc](#)]\n \n

The Methods of payments have moved from gold coins to cash to cheque to smart cards and E-payments. But still all methods have importance and existence, although some methods are not widely used and the ratio is changing every year. Statics show that even today in US nearly 50% of transitions are paper based payments while in 2003 it was 61% and in 1990 it was 81%. Technology is mainly reason behind rapid decreasing trends of paper payments. Technology has made possible for us to access our funds 24 hours and made E-payments 24 hours. Electronic payments were first made by Federal Reserve Bank when it moves money through telegraph in 1918. (The Evolution of Electronic Payments 2003).

While in 1972 for the first time Federal Reserve Bank automated its clearing system which give an alternative to banks and electronically payments methods started growing. Smart cards also started with the help of technology but in early days it was only given to customers with good credit history as the use was not with online transaction but as the technology improves now days these cards are much improved with online payments which minimized the risks for financial institutions. Credit cards are widely used but still have a risk of fraud and security issues because it does not

have a PIN to use it. E-payment methods are now days used in cyber transactions and smart cards are used to do E-payments. Some online store websites were recently hack (Sony Play station) and credit card information were stolen of millions of customer which could affect millions of people. We can say that these smart cards and e-payment methods have made our life easier as know we don't need to physically go to bank for each transaction we can use ATM or can make transaction through internet which is online and payments made in real time but still it's the most risky way of payments as there is 1% fraud in e-payments which is more higher than other payment methods and is a challenge for financial institutions. There are many online trading website that ask information about you smart cards and this information are saved into their database and some companies do not have much security process to save this database from hackers. Which result in fraud in a large scale and effected numbers can be from hundreds to million. Modern criminals also have good hands on this technology and have made a challenge for security and access systems. Maintenance, accessibility and updating data on real time and on other side blocking unauthorized access are the challenges for e-payments through smart cards.

PayPal

PayPal is one of the most widely used smart card e-payment method. Many companies around the world use this method to receive online payments through customers. Like PayPal a lot of certified companies are in the market to facilitate customer to make online payments with high security. These

companies have also earn a lot so they have the ability to overcome any potential fraud.

DHGATE. com

Dhgate. com is an online store services that provides goods from china to across the world through online booking and e-payments. This company has got an access to customers across the world which have boots its sales and easy and fastens payments through smart cards e-payments have facilitate this company to get there payments in quick time. There are many more companies around the world which are using more and more e-payments through smart cards to have direct access to customers which become importers and which allows a direct link between customer and exporter. So now e-payments is also facilities retailers to get there payments against goods on time.

References

The Evolution of Electronic Payments (2003): Benjamin Graham.