

Payment options and info

In terms of mobile payment technology, iZettle and SumUp are currently 2 of the widely used technologies.

iZettle

What: Launched in 2011, iZettle is a small card-reader that plugs into iPhones, iPads and a number of Android smartphones or tablets. It is designed for use by any small trader who can't afford the infrastructure needed to take credit card payments.

How: Can either use PIN or signature. Using the free app the amount is entered, card inserted or card details entered manually if no card reader, customer confirms with their pin or signs with their finger straight on the screen, vender can send receipt via email.

Pros/cons: The merchant pays a commission of 2.75% a transaction. Helpful for bigger amounts but high fee if items are low end budgets. No contracts or additional fees. Card reader costs £20 but can be used as credit for transaction fees.

Reports of Visa cards being problematic and requiring phone numbers and security details. Mastercard and American Express have been ok.

Cost per transaction: 2.75%

Minimum spend: £1

Compatible cards: Visa, MasterCard, American Express and Diners Club cards.

Compatible handsets: iPhone, iPad, iPod Touch iOS4.2 and higher; Android 2.1 and higher.

SumUp

What: Launched in 2012, is a small card-reader that plugs into iPhones, iPads and a number of Android smartphones or tablets. It is designed for use by any small trader who can't afford the infrastructure needed to take credit card payments. Current used in fewer European countries than iZettle.

How: Like iZettle, this device is also plugged into the phone's headphone socket, before the customer inserts the card chip first.

The user opens the SumUp app and enters the amount owed along with a description or photo.

The customer then signs their signature on the screen and has the option of receiving a receipt of the secure transaction via email.

SumUp has similarly overcome the Visa Europe barrier by sending Visa customers an SMS, which links them to a secure site where they process the payment.

Cost per transaction: 2.75%

Minimum spend: £1

Compatible cards: Visa and MasterCard

Compatible handsets: iPhone, iPad iOS 5 and higher; Android 2.3.7 and higher.

PayPal Here

Due for launch Summer 2013, app to allow smartphones to function as a till for payment. Charges still to be confirmed.

PayPal

What: Account system that allows users to send money anyone that has a PayPal account just using an email address. Used by major retailers and many small businesses for online purchases.

How: Both seller and buyer need a PayPal account. For instant payment, both need to have the free app on their smartphones. Seller invoices buyer using their email address, buyer clicks to pay via the invoice email, buyer pays and amount is transferred to sellers PayPal account.

Pros/cons: Slightly clunky process that could be more timely than a cash or iZettle payment. Perhaps better suited to online shops.

Cost per transaction: PayPal charges sellers a fee of between 1.4% and 3.4% on the total sale amount plus a 20p per transaction. The fee depends on how much you sell so the more you sell, the less you pay.

Credit card terminal

What: A type of a terminal that can do transactions with a credit and some debit card. Most have the same basic purpose and functions.

How: They allow a merchant to insert, swipe, or key in manually the required credit card information and transmit such data to the merchant provider for authorization and then later on the transfer the fund to the merchant.

With all merchant accounts there are charges involved which usually involve:

- Credit card machine fee (between £12 and £35 depending on how you'll be using it)
 - Minimum monthly charge (usually around £20)
 - A rate for debit card transactions
 - A rate for credit card transactions
- The last two rates depend on:
- If you're business is new to cards
 - Your actual or projected annual turnover
 - The amount of that turnover on credit and debit cards

Merchant providers will also assess whether your business is low or high risk. If most of your transactions are face-to-face it's usually low risk.

But if most of your transactions are over the phone payments or orders for goods/services delivered at a later date you move into the high risk category for which they charge higher credit and debit card rates.

