

Using debit cards online

PayU has recently joined forces with Oltio, a joint venture company between Standard Bank and MTN, to provide a mobile payment solution, payD, which now enables consumers to make debit card payments through the.



Pronounced 'paid', this venture now sees mobile phones applied as remote point of sale (POS) devices, enabling South Africans to utilise their bank PIN-based debit cards online.

In order to purchase online via payD, consumers, using their normal bank PIN-based debit, credit or cheque card, need to enter their card's ATM PIN into their mobile phone when prompted. This is based on the same operation system as MasterCard Mobile, also supported by PayU, which means customers opting to buy with debit cards online can now do so on any site where the payD or MasterCard Mobile emblem is displayed.

Euromonitor International indicates there are 35.2 million debit cards versus 8 million credit cards in circulation in South Africa in 2011, therefore this method of payment clearly addresses a need in the market.

"We know that only 6.25% of South Africans have a credit card and that the use of smartphones and ordinary cellphones is growing fast in Africa. This combination of a mobile payment solution allowing for alternative payment methods is just another way the company is ensuring an on-trend approach to the e-commerce environment," says Mark Chirnside, CEO of PayU.

In the latest study, published by World Wide Worx and the Howzit MSN online portal, indications are that 7.9 million South Africans connect to the internet using their cellphones.

This online payment method also addresses the issue of insecurity still experienced by many online shoppers. "This method requires a PIN, and not just a card number, to authorise each transaction, and, with a further link to your cellphone number, security risks are significantly reduced. What we are seeing here is a whole new retail haven opening for consumers - with endless possibilities for merchants," he concludes.

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