

SA escrow service launches

Shepherd, South Africa's first true escrow service - which holds payment for online purchases in trust, delivers the goods from the seller to the prospective buyer, and only when the buyer has inspected and accepted the item, releases the money to the seller - has been launched today...



Martin Reynolds, MD of Shepherd.

According to Shepherd's MD, Martin Reynolds, escrow simply means holding funds in trust for buyers and sellers by a third party. "What makes Shepherd unique, is the fact that it has partnered RAM couriers, to also ensure the buyer is satisfied with the item. This eliminates personal contact and makes the whole process much safer," said Reynolds.

[Shepherd](#) is powered by Standard Bank to provide a seamless and secure online purchasing experience.

Craig Polkinghorne, Head of Business and Commercial Banking of Standard Bank, said that while e-commerce continues to grow in South Africa, the biggest concern for online shoppers remains the availability of secure payment platforms. "At Standard Bank we view safety and security as a top priority for our customers. We found it fitting to support Shepherd's escrow service as it aligns with Standard Bank's commitment constantly to deliver safe and convenient banking platforms and solutions to customers. Shepherd simply eliminates the payment risks associated with online shopping, enabling the buyer and seller to focus on completing the transaction."

An extra layer of security

Johan Nel, Country Manager of Gumtree South Africa, said that the company is proud to be affiliated with Shepherd and will be fully endorsing the platform on its site. "The service is perfect for our business model and customers, who want to add an extra layer of security and/or convenience to the classifieds' experience. We jumped on board straight away."

Gumtree is set to launch the service to customers trading in high value goods on 15 July 2015.

Shepherd simply protects buyers and sellers against fraudulent transactions and scams. By couriering the goods, neither party needs to meet and be exposed to a vulnerable situation. As a result, the risk of crime is minimised.

"In South Africa, customers want a financial product for their online classified purchases that provides a simple payment security solution, and an escrow service combined with courier delivery, reduces the risk of fraud and ensures peace of mind throughout the process," said Reynolds. "Shepherd offers a unique solution to South African online classified buyers and sellers. The solution not only serves a protective role but also prevents fraud in an environment where fraudulent activity leaves consumers wary of transacting online."

According to Reynolds, this not only eliminates a lot of the risks involved but also opens up the market to buyers and sellers across the country: "No need to only deal locally anymore."

The process

Reynolds outlined how the solution works: "Shepherd operates as a third party that facilitates transactions on behalf of sellers and buyers, and is offered as a purchasing option to customers of the leading classified websites, such as Gumtree. The process is extremely simple to follow:

- The customer registers to use the service on www.paywithshepherd.com
- Either the buyer or seller can request to deal through Shepherd for the transaction.
- After the seller initiates the transaction on Shepherd, the buyer makes a payment into a secure Standard bank trust account held by Shepherd.
- Shepherd holds the funds in trust until the buyer receives the item and accepts it.
- Shepherd facilitates the delivery through its partnership with Ram Couriers. After inspecting the item, the buyer simply signs the courier waybill to accept the delivery and the funds are released to the seller.
- If the buyer did not accept the delivery, the item is simply returned to the seller and the buyer's payment is refunded."

Shepherd will be available to online shoppers from 15 July 2015; however the scope of service will initially be limited due to item size restrictions. A small transaction fee is charged for the service.

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