



## Online Payment Processor Options for New Zealand Online Businesses

Gateway	Currencies	Setup Fee	Ongoing Fees	Transaction Rate *	Speed of Bank Deposit	Cards	Merchant Bank Account Req.?	Woocommerce support?
 <a href="https://paypal.co.nz">https://paypal.co.nz</a>	26 major currencies including (US\$, NZ\$, AU\$, EUR, GBP etc)	\$0	Nil	2.4 - 3.4% plus 45 cents	by request, fees apply for small remittances	All major	N	Y
 <a href="https://stripe.com">https://stripe.com</a>	135+ currencies	\$0	Nil	2.9% + NZ\$0.30	Up to 7 days (more for first transfer)	All major	N	Y
 <a href="http://paymentexpress.co.nz">paymentexpress.co.nz</a>	NZ\$, AU\$, SG\$ (More with BNZ CurrencySelect or other acquirers)	\$150 +bank fees +\$100 for multi-currency	From \$50/mth per currency (includes 100 txns)	Varies, NZ Banks charge approx 2% - 8.5%	Same Day	Depends on merchant acct	Y	Paid plugin
 <a href="http://anz.co.nz">anz.co.nz</a>	NZ\$, AU\$	Starting at \$99 (for matrix plan) \$150 for transaction plan	\$40/mth for matrix plan Starting at \$65/mth for transaction plan	Matrix rates from 8.3% to 2.4% Transaction plan includes fixed number transactions	Same Day	Visa, MC	Y	Paid plugin
 <a href="http://www2.paystation.co.nz">www2.paystation.co.nz</a>	15+ currencies	\$149 +bank fees	\$39/mth (includes 100 txns) +Additional Bank Fee	NZ Banks charge approx 2% - 8.5%	Same Day	Visa, MasterCard, AmEx, Diners Club, Q Card, POLi, MasterPass	Y	Plugin (may not be maintained)
 <a href="http://bnz.co.nz">bnz.co.nz</a>	NZ\$, US\$, EUR, AU\$, etc	\$230	\$35/mth	BNZ charge 1.95% - 4.95% (\$20 minimum per month)	Same Day	MC, Visa	Y	Doesn't appear to be an official or supported plugin
 <a href="http://2checkout.com">2checkout.com</a>	16 major currencies including (US\$, NZ\$, AU\$, EUR, GBP etc)	US\$49	\$0	5.5%+ US\$0.45	2-3 days	Visa, MC, Amex, Discover, JCB, Diners	included	Plugin (last updated 2018)
 <a href="http://global.paymate.com">global.paymate.com</a>	\$AUD, \$NZD, \$USD, €EUR, £GBP	\$0	\$0	NZ: 3% + \$0.50	Same Day	Visa, MC	N	May have plugin available
 <a href="https://eway.io/nz/">https://eway.io/nz/</a>	Multi-currency with BNZ merchant acct.	\$0	options: \$0/mth, \$15/mth, \$35/mth	options: 3.4%, 2.95%, 2.7%	Next Day (same day to BNZ)	Visa, Mastercard, AMEX, JCB	All-in-one plan: N Gateway plan: Y	Y
 <a href="https://www.worldpay.com">https://www.worldpay.com</a>	multiple	\$0	Nil for pay as you go	2.75% + £0.20 (approx NZ\$0.40) or pay/mth option	3 days	All major	N	Paid plugin
 <a href="http://braintreepayments.com/nz">braintreepayments.com/nz</a>	Single or multi currency setups available	\$0	\$0	2.9% + 45 cents	2-5 days	All major	included	Y
 <a href="https://flo2cash.com/nz/">https://flo2cash.com/nz/</a>	Single currency	\$100	\$30	domestic: 2.75% + \$0.30 international: 2.95% + \$0.30		MC, Visa	included	Y
 <a href="http://fetchpayments.co.nz">fetchpayments.co.nz</a>	NZD	\$99	\$30	30 cents (+ merchant bank % fee)	2 days	MC, Visa	Y (Kiwibank)	Y

 <a href="http://cybercompay.com">cybercompay.com</a>	NZD, AUD, CAD, EUR, GBP, KRW, SGD, CNY, USD, ZAR, HKD, JPY	\$99	\$0	2.85%	overnight	MC, Visa	included	Y
 <a href="http://bambora.com">bambora.com</a>	Most currencies			merchant facility + gateway: 2.8%, gateway only: \$0.20	3 days	Visa, MC, AmEx, Discover, JCB	N	Y

\*The Merchant Service fees (MSF) are charged by the bank that provides your merchant account. Some gateways require you obtain your own merchant account, and thus it's important to consider the merchant account fees together with the gateway fees. **Lower fees** apply to merchants with **higher total card turnover** and **higher average sale value** (aka ticket size). NZ banks have difficulty competing with international rates on "card not present transactions", however they offer a faster turnaround on depositing funds into your bank. Another factor that is taken into account in your merchant service (MSF) fee is your payment gateway, Using a CSP (certified solution provider) may mean that your rate is higher than using a true payment gateway such as DPS, I would recommend calling your bank and having a discussion about the options to see how to get the best rate.

**IMPORTANT:** This comparison table is subject to change at any time; please consult your bank and/or each payment gateway for current pricing.

### Additional Notes:

There are 3 main categories of payment gateways/processors:

#### 1. Payment gateways linked with online merchant banking accounts

A merchant account is a special bank account that allows you to receive credit card payments. A regular shop that takes credit cards will have a merchant account. For internet payments, a special type of merchant account is required; it is called a 'card not present' merchant account or an 'online merchant account'. Usually the fees for this type of merchant account are higher since there is more risk of fraud. The payment gateway acts as a 'middle man' between your merchant bank account and your web site to securely complete the transaction. With this type of system you usually pay fees to both the bank and the payment gateway and there are usually setup fees involved. You will also need to go through an application process and meet certain standards (e.g. business credit history) to qualify for a merchant account. For these types of systems the checkout can take place directly on your own web site (although the payment gateways typically also provide an option for doing the checkout on their web site).

#### 2. All in one payment processors

All in one payment processors are somewhere in between the previous category and the next category. You have your own merchant account but it is set up seamlessly by the provider as part of your payment processing account. Examples of this type of payment processor are Paymate, 2Checkout, Bambora, Braintree and Cybercom Pay. Another example is eWay who actually offer both an 'all-in-one' plan and also a gateway plan which can be linked to your merchant account at your own bank.

#### 3. 3<sup>rd</sup> party payment processors

3<sup>rd</sup> party payment processors do not require you to set up a special merchant bank account. Instead the payments go into the payment processor's merchant account and you transfer the funds from their holding account to your own bank account. As a result they are quicker and less expensive to set up. For these types of systems, the checkout usually takes place on the 3<sup>rd</sup> party's web site and the name of the third party provider will appear on your customer's credit card statement. Prime examples of 3<sup>rd</sup> party payment processors are Paypal and Stripe. Paypal is the most widely used 3<sup>rd</sup> party payment processor. The waiting period before you will receive the funds can be a bit longer (anywhere from a day or two up to a number of weeks for the initial transfer).

#### Paypal

Paypal or Stripe are probably the best options for new and small startup companies. It is easy to get set up with a PayPal account and has no setup fees or monthly fees. The transaction fees are lower than most other payment systems. Paypal is well known and trusted by the majority of international customers.

#### Stripe

Similar model and direct competitor to PayPal. Checkout may be slightly more user-friendly.

#### Worldpay

Process credit cards in multiple currencies. Another option if you don't already have a merchant account. Have gone through different ownerships over the years. Information on website is currently a bit lacking.

#### Paymate

Paymate is an Australia based 3<sup>rd</sup> party processor that also provides service to New Zealand businesses.

#### Payment Express (formerly DPS)

Payment Express are commonly used in NZ and AU. You will require a merchant account from your bank, suitable for "card not present" transactions. Payment Express can work with any of the NZ banks.

#### 2checkout

Wide global reach. For international payments outside the merchant's home country, a cross-border fee of 2% is applied on top of the transaction fees. This applies to merchants in specific countries and it applies to merchants in New Zealand so may be a deal breaker if selling internationally.

#### Paystation

Paystation, now owned by TradeMe, offer a discounted monthly fee and require that you have a NZ merchant account organised with your banks suitable for "card not present" transactions. They are a registered CSP (certified solution provider) this means they only license the technology they use, they do not own it themselves. Because of this structure, there are often hidden costs such as license fees to be paid to banks which can be in the range of \$50.00/ month.

### Not sure who to choose?

Either Paypal or Stripe are probably the best options for all new and small start-up companies. PayPal is well known and trusted by the majority of international customers, and they now support 17 currencies including NZ\$ and AU\$. Stripe is newer than PayPal so is not as well known yet. The transaction fees are relatively low and there are no setup fees. However, you don't officially have a merchant account – payments go in to their account and then you transfer them to your own bank account.

If you are an existing retailer with an existing merchant account and sizeable turnover, then you are probably more concerned with percentage points. Having your own merchant account may be economical, depending on your transaction volume, and will give you more control and payments straight into your own account.

### **Alternative Online Payment Options**

The payment systems listed above are for real-time credit card payment. With real-time payment processing, funds are transferred to your account when the customer confirms their order. An alternative option is to go with deferred payments. Deferred payments could involve collecting the credit card details for manual processing at a later time or could simply be to provide instructions for sending a cheque by post or making a bank deposit. If credit card details are collected the security of the credit card details will need to be ensured.

POLi is an option for online payments by bank transfer instead of credit card payments. POLi allows instantaneous transfers from the buyer's bank account to the merchant's bank account. Fees are considerably lower than fees for online credit card payments.