

5 Frequently Asked Questions About Payment Gateways



1. What's the difference between a virtual terminal and a payment gateway?

Payment gateways let you accept credit card payments (in person or online) by transferring money between your merchant account and a payment processor.

A virtual terminal turns your computer into a credit card terminal and allows you to manually process payments right from a web browser. It's great for remote billing or taking credit cards over the phone. Virtual terminals are ideal for businesses that don't need an online store but do need to accept remote payments through phone, mail, or fax.

2. What's the relationship between merchant accounts, payment processors and payment gateways?



Payment Gateway

The technology that moves money between your business's bank account and your client's credit card bank



Payment Processors

The bank or entity that processes your payments



Acquirers

The banks or financial institutions that manage your merchant account



Merchant Account

Essentially a bank account for your business

A merchant account is what establishes a business relationship between you and your merchant services provider (e.g., the bank account for your business). With traditional credit card processing services, you cannot take payments until after you apply and are approved for a merchant account. A payment processor is the bank that actually processes the payment request. When customers pay with a credit card, payment gateways connect merchant accounts with payment processors by transferring credit card information between the bank that issued the credit card and the bank account for your business.

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3. How do payment gateways automate businesses?

Whether you need to swipe, key-in cards or process checks, it can all be done via your browser from any computer with a payment gateway. Payment gateways, such as TransNational Payments' **payment gateway**, offer many features that can help automate your business, such as recurring billing and reporting. The recurring billing feature stores your customers' information and allows you to automatically charge them on a recurring basis.

4. What's the difference between a payment gateway and a payment switch?

The payment switch is part of the payment gateway and is responsible for making sure incoming payment requests (transactions) are directed to the right place. When the payment gateway receives a payment request, the transaction is routed to the payment switch (this process is called "transaction switching"), then the switch routes the transaction to the correct issuing bank for approval.

5. If I already have a payment gateway provider do I still need to worry about PCI compliance?

Yes. All merchants who process credit card information must be PCI compliant, and having a PCI-compliant gateway is only one part of that requirement. Fortunately, if you use TransNational Payments as your payment processing system, you are **PCI compliant**. TransNational Payments will ensure that your business is properly operating under the specified guidelines of PCI, using only PCI certified POS systems or devices and provide ultimate protection to your business and its customers.