

## Understanding Online Payment Processing

In your online business you must be able to accept credit cards online to be successful and competitive. To accomplish online credit card processing a payment gateway for your website is used. More and more businesses are turning to PayPal Stripe since they are payment gateway providers and do not require the use of a credit card terminal.

This information will help you understand the integrating online payments into your website, along with comparing the costs of the major online payment companies.

While PayPal has been around for a while, and recently purchased by Microsoft, Stripe was founded in 2010, Stripe ([stripe.com](https://stripe.com)). PayPal caters to individuals and businesses. Stripe is geared more to developers and businesses. Both charge the same fees to process your credit/debit card payments your website.

Once excellent standup feature of Stripe, is the ability to accept payments on your website, with one click, without the buyer being required to have a stripe account.

## How To Take Credit Card Payments Online

It is very easy to accept online payments on your services and/or products at your webpages. In a short amount of time, you can create a business account at a major payment processor like Stripe or Paypal. Basically, as you sell a service or product, that is when you pay a fee - called a transaction fee. Today the most common transaction fee is 2.9% of the sale price plus thirty cents per transaction. For example, if the sale price is \$20.00 USD, the fee, deducted before deposited into your account, is \$.88 USD (eighty-eight cents). You can setup your Stripe or PayPal account to automatically deposit transaction funds into your bank account - usually overnight or a couple of days if its a new account. If your website does not end up selling or doing transactions, you are not obligated to pay any fees.

## Online Payment Companies

There are many ecommerce payment gateways to choose from that are listed below. All of the standard features capabilities include recurring billing, and facilitating payments on marketplace-style platforms.

PayPal	Braintree (division of Paypal)
Stripe	Square
Due	FlagShip Merchant
Payline Data	Freshbooks
PaySimple	

PayPal is one of a credit card processing service. Stripe does that processing too, but is really a web application service that allows merchants to accept credit card payments through their websites. Both Stripe and PayPal have the capabilities to recurring billing, accepting bitcoin, and facilitating payments on marketplace-style platforms. Stripe is similar to Braintree Payment Solutions in that it does not charge any setup fees, monthly fees or monthly minimum fees.

Stripe is positioning its services in online payment processing for internet businesses with a suite of *payment APIs* that build robust and scalable ecommerce solutions in customize payment workflows.

## Lowest Online Process Fees

Are you looking for an online credit card payment system with the lowest fees? That means not charging setup fees, monthly fees or monthly minimum fees. As of this writing those include Stripe and Paypal. Another online payment processor is due.com which two articles stated they do not charge fees, but the company website was unclear about pricing.

## Cost To Accept Online Credit Card Payments

The first step to using a credit card/debit card processor is knowing the fees they will charge you. Always check the website of each credit card processing service to confirm the most current information.

This information is on a single transaction (payment) using credit cards and debit cards. If just using a bank account, not with a debit card, that is shown as ACH. The information was updated in March, 2019.

### **BRAINTREE**

This is a division of PayPal and PayPal is detailed below.

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### **STRIPE**

Setup and/or monthly fee: NA

Payment transacted on website page: 2.9% + 30 cents

Invoice paid online by customer: 2.9% + 30 cents

Payment manually processed: 2.9% + 30 cents

International card used: 1%

ACH Debits (using a checking account): 0.8% - \$5 maximum

Local payment systems: 2.9% + 30 cents

Reoccurring Billing (subscriptions): 0.4%

POS (point of sale) reader: \$59 per device, 2.7% + 5 cents

NOTE: volume discounts available

FEATURES: app development, payment customization for your workflow, one click payment button, ACH payment processing

## **PAYPAL**

Setup and/or monthly fee: NA

Payment transacted on website page: 2.9% + 30 cents

Invoice paid online by customer: 2.9% + 30 cents

Payment processed for Charities website page: 2.2% + 30 cents

Payment manually processed: 3.5% plus 15 cents

International card used: 4.4% plus fixed currency fee

ACH Debits (using a checking account): NA

Local payment systems: NA

Reoccurring Billing (subscriptions): check website

Payment processed using swipe (requires reader): 2.7%, the card reader is \$79

FEATURES: reduced processing fee to Charities

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## **SQUARE**

Setup and/or monthly fee: NA

Payment transacted on website page: 2.9% + 30 cents

Invoice paid online by customer: 2.9% + 30 cents

Payment manually processed: 3.5% + 15 cents

International card used: Unknown

ACH Debits (using a checking account): NA

Local payment systems: NA

Reoccurring Billing (subscriptions): 2.9% + 30 cents

POS (point of sale) terminal/reader: 2.7%, 2.6% + 10 cents, 2.5% + 10 cents - depends on terminal used and the reader has three models: free or \$35 or \$49.

They offer a two types of terminals: \$399 or \$199. For POS there is a Register at \$999. Monthly plans available on all hardware.

NOTE: Fees are 3.5% + 15 cents for a card on file, POS - API keyed payment, and virtual terminal payments.

FEATURES: Mobile payment processing hardware

## **PAYLINE DATA**

“Starter Plan” - monthly fee: \$10

“Starter Plan” - payment transacted on website page 0.2% + 10 cents

POS reader/terminal: contact sales dept

“Payline Connect Plan” - monthly fee: \$10

“Payline Connect Plan” - monthly fee for payment gateway: \$10

“Payline Connect Plan” - payment processed on website page 0.3% + 20 cents

Payment processed on phone: Unknown

International card used: Unknown

ACH Debits (using a checking account): Unknown

Local payment systems: NA

Reoccurring Billing (subscriptions): Unknown

POS (point of sale) device: two versions that are \$125 or \$275

NOTE: website documentation shows \$25.00 monthly minimum but its not clear if that is in fees or transactions.

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## **FRESHBOOKS**

This is an accounting service that also provides online payment processing. In other words, you have to purchase one of their plans to be able to process online payments. They have three plans currently: \$15 monthly fee covers five clients, \$25 monthly fee covers 50 clients, and \$50 monthly fee covers 500 clients.

Setup and/or monthly fee: NA

Payment transacted on website page: 2.9% + 30 cents

Invoice paid online by customer: 2.9% + 30 cents

Payment manually processed: Unknown

International card used: 2.9% + 30 cents + 1%

ACH Debits (using a checking account): Unknown

Local payment systems: Unknown

Reoccurring Billing (subscriptions): Unknown

POS (point of sale) reader: NA

NOTE: processing an AMEX card transaction the fee is 3.5% + 30 cents.

## **FLAGSHIP MERCHANT SERVICES**

Flagship Merchant Services Pricing. Flagship Merchant Services doesn't publish their pricing plans online.

Setup and/or monthly fee: Unknown

Payment transacted on website page: Unknown

Invoice paid online by customer: Unknown

Payment manually processed: Unknown

International card used: Unknown

ACH Debits (using a checking account): Unknown

Local payment systems: Unknown

Reoccurring Billing (subscriptions): Unknown

POS (point of sale) reader: Unknown

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## **DUE**

examining their website, without signing up and creating an account, there is only the following statement.

Due offers a low-cost processing solution that allows customers to keep more of what they deserve. Our rates start at 2.8% with no hidden or monthly fees.

Setup and/or monthly fee: Unknown

Payment transacted on website page: Unknown

Invoice paid online by customer: Unknown

Payment manually processed: Unknown

International card used: Unknown

ACH Debits (using a checking account): Unknown

Local payment systems: Unknown

Reoccurring Billing (subscriptions): Unknown

POS (point of sale) reader: Unknown

**PAYSIMPLE (Pro Plan)**

Setup and/or monthly fee: \$49.95

Payment transacted on website page: 2.49% + 29 cents

Invoice paid online by customer: 2.49% + 29 cents

Payment manually processed: Unknown

International card used: Unknown

ACH Debits (using a checking account): sixty cents + .10%

Local payment systems: NA

Reoccurring Billing (subscriptions): Unknown

POS (point of sale) reader: Unknown

NOTE: volume discounts available

FEATURES: app development, payment customization for your workflow, one click payment button, ACH payment processing