

Check Acceptance

BENEFITS AT A GLANCE

- **Save money** by accepting a payment method that is less expensive than paper checks or card processing
- **Increase your revenue** by reaching consumers without credit cards and easily manage recurring payments that increase customer lifetime value
- **Reduce lost sales and fraud** through the use of real-time risk management tools
- **Facilitate greater back-office efficiencies** with reduced manual and paper-based check remittance operations, as well as streamlined bank reconciliation and exceptions processing
- **Simplify integration and operations** by using a consolidated solution through a single vendor – and interface – for eCheck and all other payments

What is eCheck?

Electronic Check Processing (ECP), or eCheck, is an electronic payment solution that directly debits consumers' bank accounts for payment of goods or services.

How does eCheck work?

For U.S. dollar transactions, eChecks are processed either by using the Automated Clearing House (ACH) network when the consumer's bank is a member or, when the consumer's bank is not a participant of the ACH network, by generating a merchant-initiated facsimile draft. For Canadian currency processing, eChecks are processed by using the Canadian Payments Association (CPA), which directly debits the consumer's account, or the Electronic Funds Transfer (EFT) Network.

Save money with a lower-cost payment method

When you add eChecks to your payments strategy, you lower your costs while reaching consumers without credit cards. eChecks carry fewer fees to accept than paper checks and credit and debit cards, and carry the assurance of receiving payments in-full, and on time, reducing the costs and risk of collections or write-offs.

Minimize customer service issues

eChecks support soft descriptors (the purchased item description that appears on a customer's credit card bill – or bank statement).

With this visual reminder in place, customers are less likely to dispute a payment. This helps to reduce chargebacks and mitigate customer confusion and service issues.

eCheck continues to grow in popularity

According to NACHA, The Electronic Payments Association, ACH payment volume increased by more than 475 million transactions in 2009, bringing year-end total transaction volume to 18.76 billion, a 2.6% increase over 2008 activity.

NACHA also reported strong volume increases in ACH native electronic payments, direct deposit, consumer Internet transactions, and B2B transactions. Within the Chase Paymentech network, Web-initiated debit transactions (WEB) represented 49% of all ACH payment volume in 2009, while telephone-initiated debits made up 39% of ACH volume.

Certain consumers are more likely to use eCheck. For instance:

- Consumers aged 18 - 34 overwhelmingly prefer debit payments over credit
- This demographic is highly-evolved toward Internet use (e.g., 60% are online bankers), and expect debit account access wherever they transact

In addition, offering more payment options increases customer satisfaction. Customers who have the flexibility to choose the payment method they prefer will return – again and again.



Increase revenue potential with eChecks

Web-based (WEB) eCheck transactions increased nearly 10% from 2008 to 2009.

Merchants offering four payment methods can expect about 72% in shopping cart conversions.

Choose from a range of eCheck acceptance options

Electronic check payments can come in many forms. Following is a brief description of each method available to you, as well as the SEC code for each. Each method, except recurring debit, must be initiated by the consumer for every eCheck payment.

- *Web-initiated and mobile device transactions (WEB)*
- *Telephone-initiated debits or "checks by phone" (TEL)*
- *Accounts receivable check conversion (ARC)*
- *Recurring debit (PPD)*
- *Point-of-purchase electronic check conversion (POP)*

Robust features increase efficiencies while reducing payment costs

Chase Paymentech eCheck features include:

- *Electronic check acceptance in U.S. and Canadian currencies*
- *Support for European Direct Debit in Euro and British pound*
- *Single file transmissions of eChecks and credit card orders*
- *One-time and recurring payments*
- *Account validation and verification*
- *Automatic redeposit of non-sufficient funds (NSF) and uncollected balance transactions*
- *Detailed electronic reporting*
- *Speedier customer refunds*

REDUCE LOST SALES AND FRAUD.

It is important to minimize risk while ensuring approval of valid sales. To support you in these efforts, Chase Paymentech's eCheck solution comes with a host of tools that enable you to validate and verify bank account data in real time, to help:

- *Reduce your rate of returns by as much as 50% and avoid costly return fees*
- *Filter out fraudulent activity*
- *Increase the probability of a successful sale by enabling you to request another payment method at the point-of-sale in the event of a declined eCheck authorization*
- *Support compliance with ACH regulations, and minimize the risk of fines*
- *Save money over other risk management solutions, such as check guarantee*
- *Speed reconciliation for faster deposits*

Contact your Chase Paymentech representative to learn more, or visit

www.chasepaymentech.com

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