

# Bill Me Later

## MERCHANT QUESTIONS

### What is Bill Me Later?

Bill Me Later is a credit-based payment solution designed to meet the needs of today's multi-channel retailers. Bill Me Later's unique combination of convenience, security and flexibility at the point of sale improves the overall buying experience online and via the telephone. To use Bill Me Later, consumers do not have to complete a lengthy application prior to making a purchase. They simply select Bill Me Later at checkout. There are no account numbers to enter – just "top-of-mind information" that is easy to provide and helps protect against fraud. The purchase is authorized in seconds, and once settled, Bill Me Later sends the customer a bill with flexible payment terms similar to a credit card.

### How does Bill Me Later work?

From a processing and billing standpoint, Bill Me Later operates similarly to a credit card. The merchant transmits consumer and transaction data in real time or batch via a secured network connection to a bankcard processor. This information is transmitted to Bill Me Later via the authorization request submitted by the merchant.

Bill Me Later evaluates the application and responds within a few seconds with the approval or decline message. Once approved, a new account is established for settlement and the account number is passed back to the merchant in the authorization response message.

At the time of settlement, the merchant submits the transaction to their processor for payment. Authorization, settlement and exception processing is virtually identical to that of credit cards. Once the purchase is authorized and settled, Bill Me Later sends the customer a bill with flexible payment terms similar to a credit card.

### What is the history of Bill Me Later?

For decades, magazine publishers have offered a "pay later" option, with up to 70 percent of online magazine subscribers now choosing this option when given the choice over credit card payment. Bill Me Later has combined this proven consumer preference

with sophisticated fraud detection, credit underwriting and account servicing capabilities to create the new payment method.

Founded in 2000, Bill Me Later was acquired by eBay Inc. in 2008. Bill Me Later is a PayPal company headquartered in Timonium, MD with additional offices in Hunt Valley, MD and San Francisco, CA. Bill Me Later is offered through WebBank, Salt Lake City, Utah.

### How is Bill Me Later presented on a merchant's Web site?

In order to achieve optimal results with Bill Me Later, it is important to feature the payment solution prominently and consistently throughout the entire purchase experience.

Since consumers aren't typically given a choice when it comes time to pay, they need to be made aware that an easy and secure alternative to credit cards is available. Bill Me Later will push more potential buyers further into the sales process by overcoming obstacles to purchasing – primarily lack of convenience and security concerns.

### Can businesses use Bill Me Later to make online purchases?

Bill Me Later is a consumer credit product.

### What is Bill Me Later deferred billing?

With deferred billing, merchants can offer customers the ability to finance their purchase. One example would be offering six months' financing with no interest charged. Program types vary. To learn more about deferred billing options, please contact your Bill Me Later account manager.

### How is deferred billing a sales and marketing tool?

Case studies prove that consumers buy more with Bill Me Later, combined with deferred billing, and merchants can experience an average order value lift of 150 percent or more.

It attracts new customers with appealing financing terms that successfully turn browsers into buyers. Deferred billing drives sales throughout the year and especially during seasonal shopping periods when consumers cite deferred billing options and the opportunity to pay later as top benefits.

### **Can I use Bill Me Later in sales channels beyond my Web site?**

Yes. Bill Me Later is an ideal fit for telephone and mail order channels. Specialized call center training is available to help you promote Bill Me Later to your telephone customers.

### **What is Pre-approval of One (PA/1), and how can I benefit from it?**

Pre-approval of One (PA/1) is a new technology that leverages the existing Bill Me Later platform. It effectively eliminates declines in the call center by pre-qualifying customers prior to the call center agent asking for payment type to complete the order. This subsequently reduces call time and enables agents to present promotional offerings available with Bill Me Later. It also helps merchants optimize costs with lower rates and Bill Me Later funded offers.

### **How does Bill Me Later promote my company to its user base?**

The Bill Me Later shopping portal, seasonal e-mail campaigns, special product promotions, launch offers, merchant announcements and statement marketing are just a few of the ways we help drive loyal Bill Me Later customers and repeat users to buy in your channels.

### **What are the rules and regulations for Bill Me Later? How are chargebacks handled?**

Bill Me Later has a Merchant Agreement and Merchant Operating Rules that define the rules for participation in the Bill Me Later merchant network. Chargeback and re-presentation rules are defined within the Merchant Operating Rules. In summary, chargebacks occur based on receipt of a consumer dispute or a rule violation. All exception items are processed through Chase Paymentech in the same fashion as your credit card chargebacks.

### **Is there a ship-to address required?**

Yes, Bill Me Later will require both a ship-to address and a billing address, as well as a ship-to and billing name in an authorization. The names do not have to be the same.

### **How reliable is Bill Me Later's process?**

Bill Me Later uses the same payment processing and transaction processing systems as traditional credit cards, affording 99.99 percent availability.

### **How will Bill Me Later handle declines?**

If declined, the customer will be prompted to select another payment method. The customer will also receive a decline notice by postal mail or e-mail.

### **How long is the merchant payment cycle?**

The payment cycle will be per the merchant's agreement with Chase Paymentech.

### **How can Bill Me Later limit fraud?**

Bill Me Later controls fraud associated with the theft of account numbers, cards and counterfeiting by breaking the link between account numbers and access to credit. With Bill Me Later, it is not possible to purchase using only an account number and expiration date. Bill Me Later manages risk associated with identity theft through the use of additional verification information in the authorization transaction, as well as proprietary data and process screens. As a result, merchants experience lower chargeback rates with Bill Me Later transactions than typical credit cards.

### **How are transaction processing and settlement completed?**

Bill Me Later supplies a 16-digit account number for each customer that the merchant uses as an identifier. Transaction processing, settlement and exception processing are done through Chase Paymentech, as well as reporting and reconciliation processes. Settlement of funds and fee collection occurs according to your agreement with Chase Paymentech.

### How does Bill Me Later handle back-ordered merchandise?

You authorize the total amount of the order up front. If there are multiple settlement transactions, you must reference the original authorization code in each submission. Original authorization codes are valid for 30 days. Partial shipments that extend past the 30-day window from the initial authorization need to be reauthorized for the value of the unshipped goods.

### Who does my company contact for assistance?

Merchants may contact their Bill Me Later account manager or Bill Me Later merchant support at 866.332.5557 or e-mail [merchant.support@billmelater.com](mailto:merchant.support@billmelater.com). Specific contact information is provided to each new merchant at launch. Bill Me Later account managers are the single point of contact for all merchant issues related to Bill Me Later. The merchant technical support group handles any issues surfaced that require technical support for resolution.

You may also access Chase Paymentech with support inquiries.

**Call Center:** The Chase Paymentech Call Center is available Monday through Friday, from 8:00 a.m. to 8:00 p.m. EST. Chase Paymentech Merchant Services can assist you with the follow inquiries:

- General questions
- Transaction histories
- Issuing bank information
- Reporting and reconciliation issues

The call center can be reached at 603.896.8333 or by e-mail at [merchant\\_services@chasepaymentech.com](mailto:merchant_services@chasepaymentech.com).

**Paymentech Online:** You may also perform transaction and reconciliation research through our Web portal, Paymentech Online.

Approved Bill Me Later transactions can be searched by account number or order number. You will need to search declined transactions by order number, since no Bill Me Later account number was issued. Paymentech Online is available to you 24 hours a day, seven days a week, and can be accessed from anywhere in the world.

**Account Management:** Your Chase Paymentech account executive assists you with the day-to-day issues of your account and serves as a central contact point into Chase Paymentech.

## CONSUMER QUESTIONS

**What will a consumer experience when choosing Bill Me Later?**

All consumers are prompted to verify name, address and home phone number for sign up. Date of birth and last four digits of Social Security Number are also required. Average response time for approval notification is three seconds or less.

**Are there any limitations on who can use Bill Me Later?**

You must be 18 years or older and a resident of the United States. Bill Me Later is not available to consumers who do not meet risk mitigation criteria.

**What does subject to credit approval mean?**

To open an account, Bill Me Later will review a consumer's credit report.

**Is there an annual fee?**

No. There is no annual fee for using Bill Me Later.

**Is there a cost for using Bill Me Later?**

Consumers can use Bill Me Later with no fees or finance charges, if you pay your balance in full by the payment due date. If you choose to revolve your balance, you will be subject to a finance charge. Finance charges can vary, but will be disclosed to customers in accordance with all federal rules and regulations.

**Why is there an account number on my statement? I thought Bill Me Later didn't use an account number?**

Bill Me Later uses the account number that appears on your statement for reference purposes only. It is used to identify your account in our internal systems but cannot be used for making purchases online.

**What should consumers do if they think there is an error on their account?**

Bill Me Later offers a Billing Dispute Resolution Service that helps consumers and merchants resolve disagreements. If a consumer thinks the error resides with the merchant, he should first attempt to solve any problems directly with the merchant. If, after contacting the merchant, there is still a problem with the bill, the consumer must provide Bill Me Later with a written notice within 60 days after receipt of the first bill on which the error appeared. In the letter, please include the following information:

- Consumer name and account number
- The dollar amount of the suspected error
- Description of the error and an explanation

The letter must be sent to: Bill Me Later Dispute Resolution, P.O. Box 5018, Timonium, MD, 21094. If you think a charge may be a result of an unauthorized transaction, please contact us at 1.866.528.3733 so that we may address your concerns immediately.

**What is the minimum monthly payment?**

The minimum payment due for each billing cycle will be the greater of \$30 or three percent of the new balance reflected on the billing statement.

**What is the fee for late payment?**

The late fee amount is based on the new balance left on the consumer account. The lower the balance, the lower the late charge. For more details, view your terms and conditions.

**How is Bill Me Later different from a credit card account?**

Unlike a credit card account, you don't need a physical card. So, when you're ready to buy, there's no need to fumble through your wallet in search of a credit card containing an account number and expiration date. And, because there is no account number that must be used for making purchases, the risk of account number theft is virtually nonexistent.

**Do I have a credit line, and how much is it?**

Yes, all customers are assigned a credit limit, based on their credit worthiness. Credit limits can adjust as a customer's credit portfolio and performance changes. All changes in a customer's credit limit will be communicated in accordance with all federal and government requirements.

**How does Bill Me Later handle customer service?**

A customer support phone number is displayed prominently on your monthly statement. Customer service is available 24 hours a day, seven days a week through our Web site and automated customer service phone number. The Bill Me Later Web site also provides access to account management tools, information about the company, a listing of merchants and more.

**Who does the customer contact for assistance?**

Our customer service can be accessed via phone (1.866.528.3733), e-mail or regular mail. Customer service hours are currently 9:00 a.m. to 11:00 p.m. EST, seven days a week.

Regular mail:  
Billing disputes  
Bill Me Later  
P.O. Box 5018  
Timonium, MD 21094

Other correspondence:  
Bill Me Later  
P.O. Box 2394  
Omaha, NE 68103-2394

**To learn more, please contact your Chase Paymentech representative, visit us at [www.chasepaymentech.com](http://www.chasepaymentech.com), or call 1.800.788.6010.**