

PILATES 45 PLUS ANSWERS TO QUESTIONS

QUESTION: PAYING THROUGH PAYPAL - Some people are being asked to create one when they want to pay by Credit or Debit Card. Why is this? Below is our personal description.

Answer: We've given an answer to this below but you only need to read as much as you feel answers your query. The rest of it is just general information which you may find interesting.

We use PayPal to collect and administer payments for Pilates45Plus online classes (which we administer through Life Guide Publishing) for several reasons which will become apparent as this question is answered.

But, before we cover those reasons more fully, we would just deal directly with the question a few people have raised about the apparent need to set up a PayPal account when making payment with a credit or debit card, if they don't already have a PayPal account.

So, when people who do not already have a PayPal account, are choosing to pay for their purchase with a debit or credit card, they are being asked by PayPal to set up an 'account' using an email and password as part of the payment process experience. PayPal refers to this as setting up or creating an account. This is not something that all payment gateways or intermediaries ask you to do.

There is a straightforward reason for this, which is that the purchase of the Pilates45Plus online video classes is a *membership subscription, not a single purchase*. (The 'membership' structure is so that customers can enrol, cancel and rejoin at their personal discretion, rather than pay a larger sum for a one-off longer term or annual membership, which is possibly an option for the future, but not one that seems viable for, or preferred by, the large majority of customers at the moment).

Thus, all subscription purchases a person makes from any supplier, which includes our Pilates45Plus online videoclass membership, make it necessary for the payment gateway or intermediary (whether that be PayPal or any other financial organisation) to keep a record of the purchaser's payment card details so they can continue the subscription when the next payment is due without having to repeatedly go back to the purchaser to ask for the card details all over again. Many, many companies do this, such as with insurance renewals, car breakdown renewals, subscriptions to club memberships, utility companies etc., etc. If such payment intermediaries didn't retain the card details no purchaser would ever be able to purchase an ongoing renewable membership or renew their product automatically.

So, any ongoing renewable payments are still charged to the purchaser's original payment method (their credit card in this example) just as with any other financial institution or payment gateway. All financial institutions need to keep the payment details securely held in order to comply with the purchaser's wishes to buy the membership. PayPal is no different and is a world leader in this regard.

Therefore PayPal must ask a purchaser to secure their access to the payment details by requesting them to provide an email address and a password of their choosing which then becomes the basis of the subscription 'account' that the purchaser has asked PayPal to administer for them.

This process does not necessarily mean that the purchaser has to keep money in a PayPal account as such. It simply means that the purchaser has access to their personal financial records which PayPal must hold for them in order to administer their wish to purchase a membership subscription and to carry out transactions that the purchaser wishes PayPal to administer for them.

It also means that PayPal can immediately send the purchaser a confirmation of the transaction and the person can also see details of that transaction in their secure area (account). It is as much a security measure as anything else and is the operational model that PayPal uses.

Some other payment gateways may not ask the purchaser to secure their transaction and payment details by sealing the 'account' with an email and a password, meaning that the purchaser may not have any 'account' access to how they used their payment card until they see some evidence of that usage in a monthly credit card statement or their bank account. But those payment gateways are nevertheless keeping records the same as PayPal, but are not necessarily giving the purchaser access to those financial records and transactions as PayPal does.

For example, Mastercard or Barclaycard are not the 'Bank' where you keep your money. They are the financial institution who issue your card and with whom you have an 'account' and they play their part in the process through which you use your payment card and they then become authorised by you to issue a statement of your usage each month which then requires you to make a payment (probably from your actual Bank by way of a cheque or a Direct Debit) to them for your purchases which are listed on your statement.

In this regard, PayPal offers a transparent service to a buyer and immediate access to records through the mechanism of asking the purchaser for an email address and a password to secure their 'account'. The purchaser will still see the transaction when they ultimately receive their monthly statement from their card issuer and then will still need to pay their credit card bill as normal.

Just for further interest purposes...

1. PayPal is deemed to be the most secure, the most trusted and the most used payment facility for people paying for purchases on the web globally, which obviously also includes the UK.
2. When a website user purchases a product from a supplier through the PayPal gateway, that purchaser is protected insofar as their payment or credit card details are never shared with the supplier or their representatives. It also means that the purchaser does not have to enter their payment card details into an assortment of different website shopping carts when they wish to purchase an item; which is exactly the case when using the usual credit or debit card payment channels. Although the payment gateways for other payment-taking facilities will normally be protected because the payment page should be encrypted (as it is also when using PayPal), the fact that one's payment card details are repeatedly being entered via a computer can leave one open to fraud, especially if a so-called 'payment page' isn't really genuine, but has been put up to look like another company's page. The purchaser is protected from this sort of danger when using PayPal by having secure access to their details. which is a strong reason for PayPal's operating model where people are asked to create an 'account' when purchasing a subscription such as 24/7 access to our Pilates45Plus videoclases.
3. Just to add a personal thought here, PayPal itself is a strictly-governed financial gateway that serves the needs of millions of individuals and businesses globally and is arguably the most trusted and the largest of providers in this sector, including in the UK. The fact that customers world-wide can pay for their purchases through PayPal without ever having to disclose their financial details to any of the sellers concerned, especially sellers unknown to them or in a different country, is a really helpful service, resulting in a lot less fraud and worry for the consumer. Using PayPal helps enormously in reducing that risk, although that is, of course, only our personal thoughts on the subject and none of this commentary is actually official broadcasts from PayPal.

4. If anyone would find it helpful, it might also be informative to read through the very detailed Terms and Conditions on the PayPal website itself. These should help to reassure any purchasers of the very strong measures PayPal put in place to help protect their customers and to help prevent fraud.