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Emerging payment methods: The challenges they pose for reconciliation and how you can embrace them all.



As a modern-day enterprise you want to ensure you have a strategy in place for long-term profitability and customer satisfaction. A key component for continued sales growth involves ensuring your business strategy develops your ability to cater for current and future customer payment preferences. Customers today are continuously adapting their payment preferences in response to the fast-paced technology advancements in the field. Changes to the payment provider playing-field towards a cashless society coupled with government initiatives promoting decentralization and new opportunities means your



One of the biggest challenges for the accounting department of any enterprise is staying on top of these advancements and new options. Each new payment provider entering the market needs to be critically assessed, its payment data processed and finally reconciled.

In order to remain competitive and cater to the new generation of customers your enterprise needs the flexibility to onboard as many as possible. Limiting payment options limits potential customer purchases which could be captured by offering more possibilities.

Adopting these new payment methods, though, could mean a lot more backend processing and therefore greater staff support. To achieve the necessary processing requirements, your business needs processes which are easy to implement, cost effective and most importantly accurate.

A closer look at your enterprise's sales pipeline will reveal just how many payment methods your business actually utilizes. It's usually more than expected, with the average business using around twenty-five different payment methods.

Emerging Payment Methods

A deeper look at some of the newly emerging payment methods can give your business a better indication of where greater sales opportunities may be waiting.

> **Bank to Bank Payments:**

Banks are now competing with fintech companies offering customers instant money transfer options and lower fees. The [European Union's Second Payment Services Directive \(PSD2\)](#) opened the door for third party payment service providers ([TPPs](#)) to access customer bank data and process their payments to stores instantly and through their own platform.

This means your business faces new reconciliation challenges. No longer are payments reimbursed lump sum, as banks tend to do. Rather payments via the TPPs arrive instantly and individually, creating a new entry for each purchase which needs to be reconciled.

While only a few such players have emerged so far - due to the complex requirements of adapting to bank platforms, government openness and the accompanying legislation means the trend has begun and is set to continue into the future.

> **Crypto Payments:**

Usage of crypto payments has seen ups and downs over recent years, but is nonetheless here to stay. If your business wants to maximize sales opportunities, having the flexibility to support these payments will service these customers as well. Doing so is especially essential in the luxury goods and services industries where crypto payments are more prevalent.

For your business to safely accept payments, it is important to select the right crypto acquirer. Assessing the requirements of adopting each and finding the best acquirer is crucial for establishing a profitable partnership. Having a dependable system which covers all necessary integration and reconciliation levels ensures your business processes those payments in the most efficient way.



QR codes have been emerging recently, with governments promoting them for the speed and accuracy they allow. The Swiss government recently required all invoices to include a Swiss QR code, allowing quick, accurate payment for both sides. As a newly emerging technology QR codes could make direct payments much easier. Easily adaptable for mobile devices and scannable in stores, the technology could speed up bank to bank payments, making real time transfers even easier. From a reconciliation point of view, this financial flow is totally different from a credit card flow.

In account to account payments the money is usually pushed to your account on a transaction level in real-time. While with credit cards you receive a total amount (sum of transactions) after a certain time period. That's a fundamental difference for your reconciliation process.

> **Lunch checks and vouchers:**

Offering your employees lunch checks as a tax free salary component is common among many enterprises. This can have significant implications for restaurants and food providers in the area if not accepted.

As a small business, accepting lunch checks adds to the would mean greater accounting and reconciliation procedures required. However, not accepting them could result in a much larger loss of income if many customers come from surrounding offices. Similarly, vouchers will steer customers to purchase from businesses which accept them.

Cashing in on the opportunity with the right back-end support aligns your business with competitors and customer needs. Reconciling Lunch-Checks is not a big problem, since the payment process follows industry standards (credit cards). It is just one more process that adds on to the reconciliation process.

> **Marketplaces:**

Today, selling your product or service through online marketplaces is crucial for extending company sales globally. Marketplaces such as Amazon, Etsy, Zalando and in Switzerland, Galaxus and Digitec, for example, provide national and global access for all businesses, large and small, to sell to a much wider pool of consumers. Furthermore, marketplaces now offer a generous array of payment options to customers, such as Visa, Mastercard and invoice payments.

Accounting for marketplace transactions can be a challenging task for any size business. Reconciliation even more so. Selling in a marketplace requires analysing the sales conditions such as commissions, shipping charges, payment terms, fees, return policies, penalties and any other charges. Furthermore, the duration from selling your product to receiving payment may vary depending on the payment method used by the customer and therefore often differs for each sale. Reconciling income expected from sales with what actually flows into company accounts, as well as defining in which cycle they come in, requires your accounting department to not only understand the payment cycle and terms of each provider but to follow and match the movement of that income as it flows into company accounts.

With the growth of online purchases over the last couple of years, marketplace transactions have exploded. Delivery services too have mushroomed, taking a crucial role in the sales process of many enterprises. While business has returned to in-person sales, preference for delivery services remains high and is projected to remain so into the future.

Reconciling the new sources of sales income which result from using delivery services similarly involves allowing for commissions, fees and different reimbursement cycles.



Keep Your Business at the Forefront

Keeping your business at the forefront of customer payment solutions should be easy. As technology advances, having to continuously adapt your business technology may seem daunting. Automating the process with a platform such as ReconHub gives you the flexibility to stay ahead with the newest products the fintech industry has to offer, without having to do the extensive research and manual tasks involved. ReconHub does it for you.

Giving you the tools for ongoing success, ReconHub gives your enterprise a payment reconciliation platform which gives you financial transparency, accuracy and an accounting system which is always up-to-date. The ability to reconcile all income streams no matter their type and terms gives your company a constant overview of how sales channels are performing and an open door to adopting any new streams which evolve.

Your sales also depends on catering to customer payment preferences. Doing so is easy with a platform which keeps your business efficient and adaptable long into the future.

If you are interested to get more infos about ReconHub, [get in touch with us!](#)

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