

# Digital Wallet Technology

## Change The Way You Pay

### What Is a Digital Wallet?

A digital wallet, or e-wallet, is a secure electronic payment solution that enables users to store payment information and conduct transactions using a mobile device. Functioning as a virtual alternative to your physical wallet, a digital wallet allows for seamless, contactless payments through your smartphone or tablet.

Whether it is referred to as a mobile wallet, e-wallet, or virtual wallet, it has the same purpose of offering a secure and convenient way to manage transactions without a need for a physical card.

Beyond facilitating transactions, digital wallets can also store a variety of important items, including loyalty cards, event tickets, driver's licenses, boarding passes, and more.

### Where Can Digital Wallets Be Used?

Digital wallets are widely accepted across various platforms, making them a versatile payment option. Common locations that support digital wallets include:

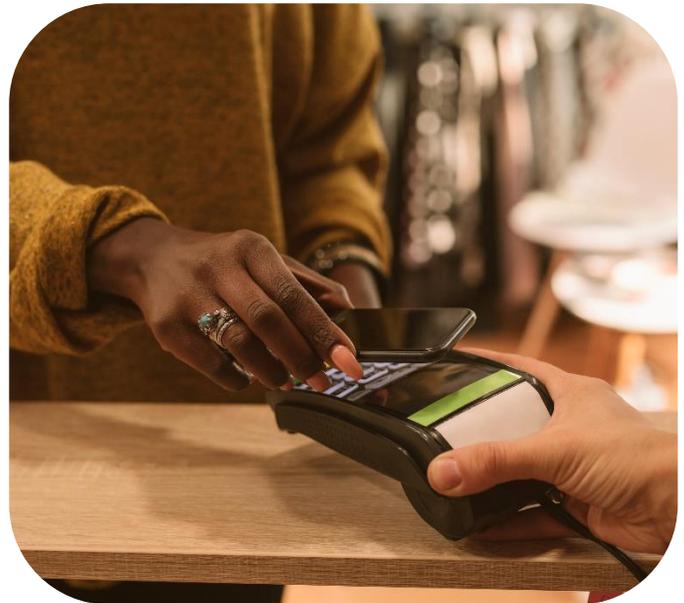
- **Retail stores** with payment terminals containing contactless payment technology.
- **Online retailers** that accept digital payment methods at check out.
- **In-app purchases** for services such as ridesharing, food delivery, or subscriptions.

As digital payment technology continues to evolve, the number of vendors accepting digital wallets is expected to grow.

### How Do Digital Wallets Work?

Digital wallets utilize mobile device's built-in wireless technology, such as Bluetooth, Wi-Fi, and Near-Field Communication (NFC), to securely transmit payment data.

When making a purchase and paying with your mobile device, the merchant's payment terminal can



detect and process the transaction using the following technology:

**QR Codes** – Quick response (QR) codes are scannable barcodes that store transaction data. Users can scan these codes with their phone's camera or wallet app to complete a payment.

**Near-Field Communication (NFC)** – NFC enables devices to exchange information through electromagnetic signals. Payments occur when the user's device is held within approximately 1.5 inches of an NFC-enabled terminal.

**Magnetic Secure Transmission (MST)** – MST technology mimics a traditional card swipe by generating an encrypted magnetic signal. Payment occurs by holding your device close to the payment terminal.

**Payment Processors** – Digital wallet transactions are facilitated by payment processors, which connect merchants with financial institutions. When a customer pays via a digital wallet, the payment is routed through the associated credit card's network or financial institution before reaching the merchant's account.

## Are Digital Wallets Safe?

Digital wallets can offer greater security than traditional debit or credit cards, thanks to advanced encryption and built-in device protections.

Digital wallets are stored on password-protected devices, many of which also use facial recognition or fingerprint authentication to gain access.

Payment information is also encrypted to help protect against data breaches.

If your device is lost or stolen, users do not need to replace physical credit or debit cards. Instead, they can remotely disable the device to prevent unauthorized access to their digital wallet.

With the increasing adoption of contactless payments, many customers are transitioning from traditional wallets to digital alternatives.

## Popular Digital Wallets

Many consumers are already familiar with some of the most widely used digital wallets, including:

**Apple Pay** – Apple Pay is a secure and contactless payment solution for iOS devices, allowing users to store cards and make transactions in stores, online, and with apps using Face ID or Touch ID.

**Google Pay** – Google Pay is a versatile digital wallet compatible with both Android and iOS devices. It enables contactless payments, peer-to-peer transfers, integration with loyalty programs, and more.

**Samsung Pay** – Samsung Pay is a mobile payment service exclusive to Samsung devices. Users can store gift cards, membership cards, and health records. The app was designed with mobile purchases in mind.

**Garmin Pay** – Garmin Pay is a contactless payment solution built into Garmin smartwatches, allowing users to make secure transactions without carrying a phone or wallet. It supports major credit and debit card and works at NFC-enabled payment terminals.

## Advantages and Disadvantages

While digital wallets offer a convenient and secure way to manage transactions, it is essential to consider both their benefits and potential drawbacks.

### Advantages of digital wallets:

- Eliminates the need to carry physical cards. No more carrying multiple debit or credit cards.
- Transactions are quicker, making checkouts more efficient.
- Banking without a physical branch. Many digital wallets allow transactions without an account at a traditional financial institution.
- Reduces the risk of losing your wallet.
- Transactions can be completed without physical contact, enhancing hygiene and convenience.
- Users have their entire transaction history at their fingertips.

### Disadvantages of digital wallets:

- Security risks increase with lesser-known apps. Not all digital wallet providers offer the same level of encryption and protection.
- If a device is not properly secured, others may gain access to sensitive data.
- Some digital wallets may not work with all mobile devices or operating systems.

These drawbacks can often be mitigated by selecting a reputable digital wallet app, ensuring device security, and verifying compatibility before use.

## APCI FCU and Your Digital Wallet

Use a digital wallet with our APCI FCU Visa Debit or Mastercard Plus card. It is a safe and simple way to pay.

Your device, your choice. Leave your wallet at home when using any of the following trusted wallets:

- Apple Pay
- Google Pay
- Samsung Pay
- Garmin Pay

Adding your APCI FCU Visa Debit or Mastercard Plus card to your digital wallet is easy.

1. Log into your APCI eBanking Mobile app.
2. To add your credit card, select your Mastercard Account. To add your debit card, select your checking account
3. Click Card Services.
4. Click Add to Wallet.