

Know Your Customer (KYC)

Although the phrase “know your customer” may seem insignificant to most people, it has a very important meaning in the business world. The process of knowing your customer, otherwise referred to as KYC, is what businesses do in order to verify the identity of their clients before they start doing business with them.

Similarly, in the banking and payments processing industry we use this term when we are required to verify our applicant’s identities to qualify them prior to approving a merchant account. Until we can identify your suitability we cannot process transactions and settle money into your nominated bank account. Essentially, we need to know that you are, who you say you are before we can proceed with your merchant application.

Very much like the “100 points” of identification that you would complete to open a bank account we are required to ask you to provide us with your identification.

This done by collecting basic data and information about you using electronic identity verification.

On receiving an online application from you, our system will send you an email that will outline what you will need to do to complete the verification process. We will also include a link to a secure website where you can complete your online verification process. The verification process will identify which people within your company will need to provide the relevant information required to complete the process.

Your name and address that you supply must match the identification documents you choose to be matched against. These may include your driver’s licence, passport and electoral roll information amongst several other data sources you can choose from. It is important that your information is current or the identification you provide will not match and your identification verification process will fail.

Here’s a life example; Jane Doe recently gets married and begins using her married name. Jane hasn’t updated her Driver’s License or Passport to her married name because she had just come back from the honeymoon. Jane’s married name is Jane Smith. If Jane were to open a bank account in her new married name she would not have the appropriate identification verification to support her new married name. Jane would need to either wait for the documentation to be updated or apply under her previous name Jane Doe. This is important as the bank needs to know if Jane is who she claims to be before allowing her to deposit money into a bank account. The same applies when you want to establish a merchant facility with SQID. This is because you are taking payments through the online sales of good or services and SQID are settling funds into your bank account on your behalf. SQID needs to know that it’s you that the money is going to!

When SQID requests your business to upload your bank statement the same applies. SQID requires you to upload a scan or photo of the bank account that you want to settle your funds in. This bank account must display the business name and bank account as submitted in your application. Alternatively, if the account is new, a scan or photo of an official bank Welcome Letter that displays your Business Name and Bank Account Details is also acceptable.

SQID requires this information to meet regulations to ensure that when money is being transferred to a bank account the identity of the bank account holder is correct.

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SQID is required during the onboarding process to identify the type of business that you, as the applicant, is conducting, and if that business represents a risk. If risk is identified, SQID determines what that risk would be if a merchant account was established, and if the risk is too high. In this case your application would be unsuccessful.

To learn more about how SQID is compliant with Anti-Money- Laundering and Countering Terrorism Funding please go here: https://sqidpayments.com.au/wp-content/uploads/2018/09/AML-CTF-Policy-Process_Ed.pdf