

eCheck Payment in Paypal - Basic Working And Integration

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In brief

An eCheque is an electronic payment that is sent directly from the sender's bank account to your PayPal account. It's similar to a paper cheque, only issued electronically.

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eCheques aren't instant payments. When a sender sends you an eCheque, their bank account will be debited, but the transaction status will remain as "Pending" in the seller's PayPal account until the seller actually receives the funds. Depending on the banks involved, this can take 3 to 5 days or up to 8 business days to complete.

To expected clearing date can be seen in the Activity page and under the eCheque transaction. As soon as the eCheque clears, the funds will be deposited into the seller's PayPal account.

Implementation of eCheck payment into the website

While using eCheque as the payment option from the checkout page. The transaction will be completed instantly with a 'Pending' status. This value along with other transaction details can be stored in the database for the later changes.

Once completed the transaction, all the remaining process will be done out of the system. Since it is an eCheque option, the payment will be made through the bank directly. When the amount is credited to the seller's PayPal account, a notification from PayPal will be initiated. This can be tracked from the seller's end and update the payment status in the database accordingly.

Process of eCheck Payment and Tracking The tracking of payment status can be done using the IPN (Instant Payment Notification) option. An IPN Listener should be created on the server to catch the IPN message sent from PayPal which contains all the information related to the transactions.

- Once the user completes the transaction using the eCheck method, the transaction will be completed with a Pending status. Later, the amount will be withdrawn from buyers account by the Bank and the same will be deposited to the seller's PayPal account. All this action will take 3 to 5 days. All this time, the transaction will be marked as Pending.
- Once the payment is done, Paypal will send an IPN message to the IPN Lister page, which is available on the seller's website. The IPN message includes all the details related to the transaction, including transaction status, id, etc.
- Once the IPN message has been received at the seller side, the corresponding details can be used to update the database with the status returned.

Various Status Received via IPN Message

For the eCheck transaction, there are 3 types of status, which includes 'Pending', 'Completed' and 'Declined'.

- Pending - Until the cheque has been cleared and the amount is credited to the seller's account, the status will be always be Pending.
- Completed - Once the payment is done and the amount is credited, the status will be changed to Completed and notified by IPN to the website.
- Declined - If by any chance the transaction got rejected, due to cheque bounce or any other issue, the status will be issued with a 'Declined' message.

Setting UP IPN Listener Page

In order to keep track of the update regarding the payment including eCheque option, an IPN Listener page should be available in the web server. The IPN page should be publicly available all the time because the payment option from Paypal can be initiated at any time. Sampled codes of IPN Listener is available at <https://github.com/paypal/ipn-code-samples>

Once done in the server side, the following steps to be done in the PayPal seller account.

- Log in to your PayPal business account at www.paypal.com.
- Click the settings icon at the top of your PayPal account page and then click Profile and settings.
- Click My selling tools.
- Click the Update link in the Instant payment notifications row, in the Getting paid and managing my risk section.
- Click Choose IPN Settings to specify your listener's URL and activate the listener. The following page opens:
 - Specify the URL for your listener in the Notification URL field.
 - Click Receive IPN messages (Enabled) to enable your listener.
 - Click Save.

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References

1. [github.com - paypal / ipn-code-samples - https://github.com/paypal/ipn-code-samples](https://github.com/paypal/ipn-code-samples)