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(54) METHOD AND SYSTEM FOR FACILITATING FINANCIAL TRANSACTIONS OVER THE INTERNET USING REGISTERED FINANCIAL INSTRUMENTS

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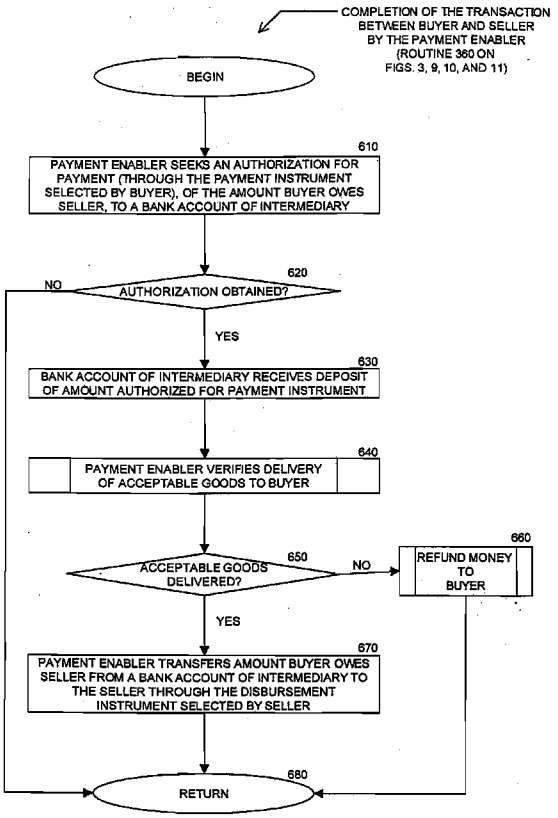
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(52) **U.S. Cl.** **705/44**

(57) **ABSTRACT**

A method for enabling two individual consumers to complete a transaction that includes payment from one consumer (the payor, or buyer) to another consumer (the payee, or seller). An intermediary typically operates the service over a computer network of nodes, such as the Internet. The buyer has the convenience of paying through a variety of different payment instruments. Likewise, the seller has the convenience of receiving payment through a variety of different disbursement instruments. For a fee, the intermediary collects the payment from the buyer and pays the seller. Although the intermediary may receive payment from the buyer before the intermediary transfers the payment to the seller, the intermediary may choose to pay the seller before receiving payment from the buyer. In this case, the intermediary assumes the risk of nonpayment by the buyer. Alternatively, the intermediary may pay a third party that specializes in processing transactions for the payment instrument chosen by the buyer to assume the risk of nonpayment by the buyer. In this case, the intermediary receives a promise of payment from the third party before the intermediary pays the seller. Such a promise of payment from the third party is referred to as an authorization.



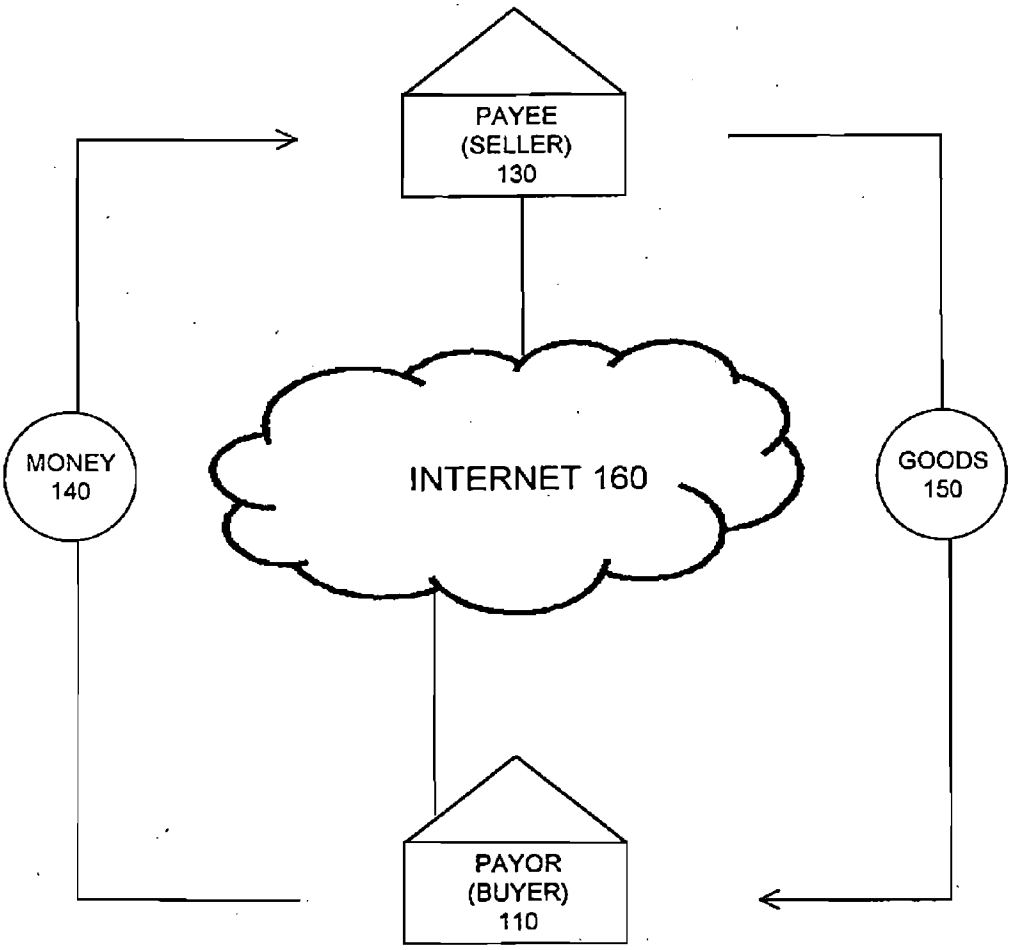

PAYEE
(SELLER)
130
MONEY
140
INTERNET 160
GOODS
150
PAYOR
(BUYER)
110

FIG. 1A

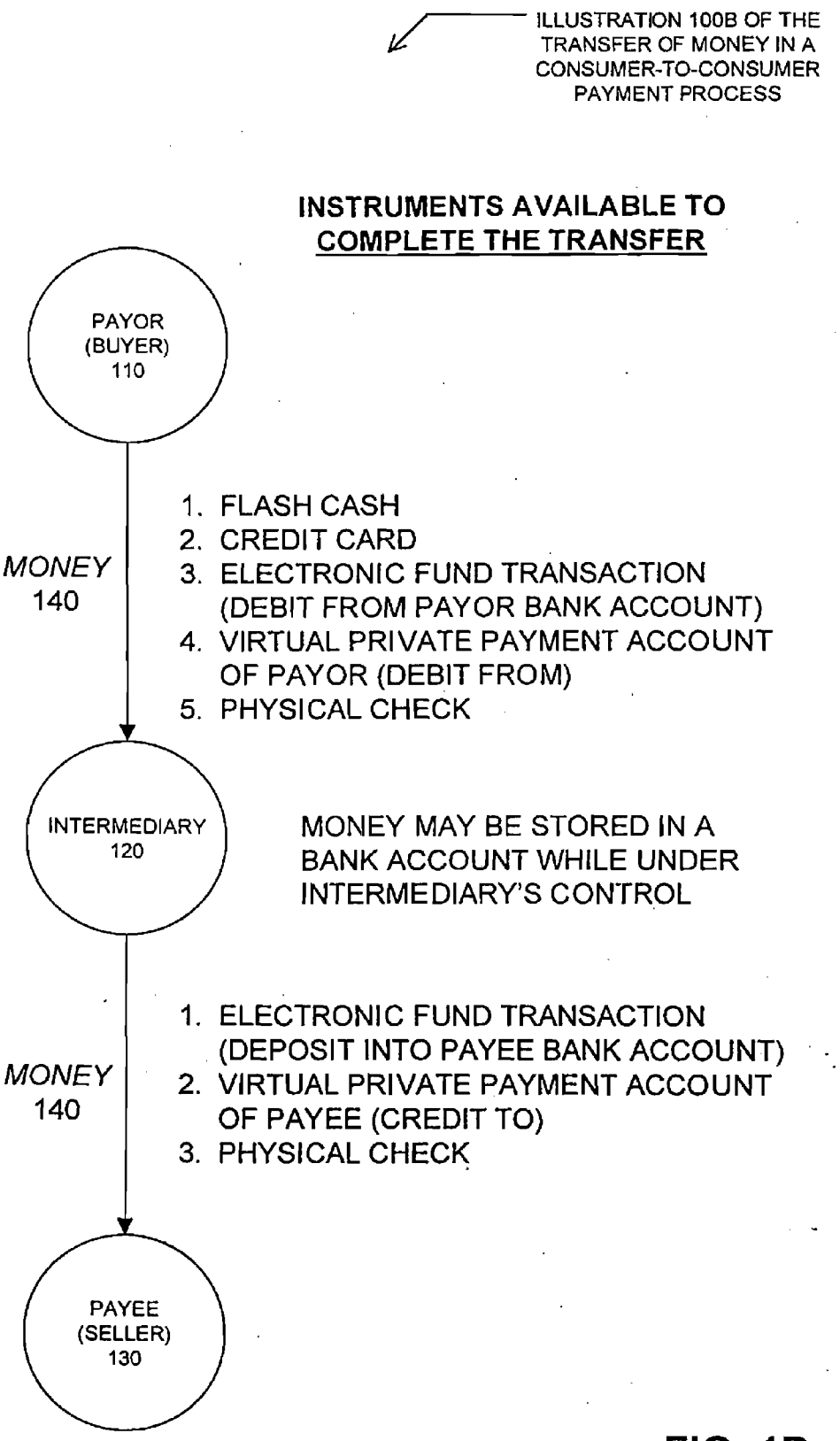

ILLUSTRATION 100B OF THE TRANSFER OF MONEY IN A CONSUMER-TO-CONSUMER PAYMENT PROCESS
INSTRUMENTS AVAILABLE TO COMPLETE THE TRANSFER
PAYOR (BUYER) 110
MONEY 140
1. FLASH CASH
2. CREDIT CARD
3. ELECTRONIC FUND TRANSACTION (DEBIT FROM PAYOR BANK ACCOUNT)
4. VIRTUAL PRIVATE PAYMENT ACCOUNT OF PAYOR (DEBIT FROM)
5. PHYSICAL CHECK
INTERMEDIARY 120
MONEY MAY BE STORED IN A BANK ACCOUNT WHILE UNDER INTERMEDIARY'S CONTROL
MONEY 140
1. ELECTRONIC FUND TRANSACTION (DEPOSIT INTO PAYEE BANK ACCOUNT)
2. VIRTUAL PRIVATE PAYMENT ACCOUNT OF PAYEE (CREDIT TO)
3. PHYSICAL CHECK
PAYEE (SELLER) 130

FIG. 1B

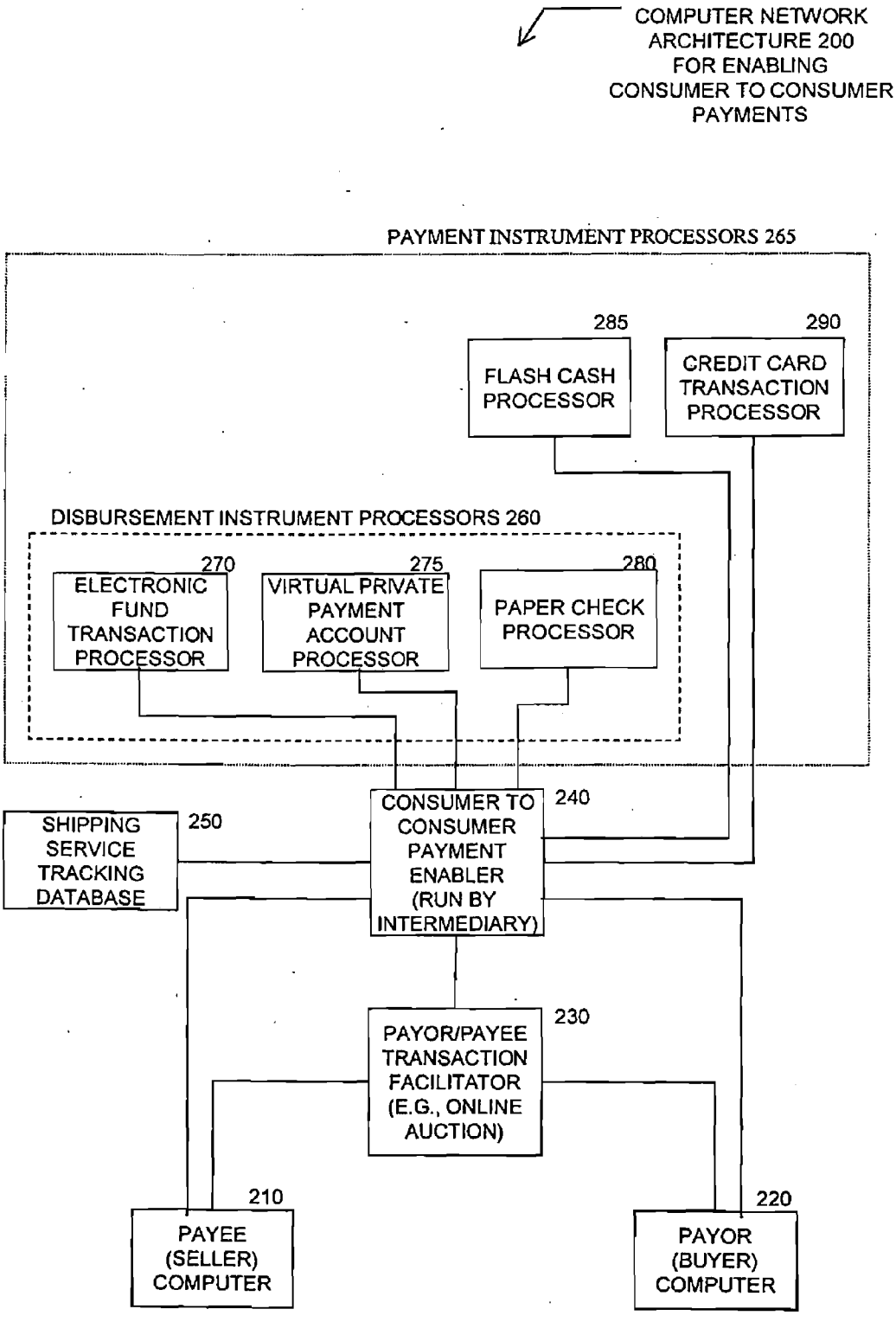

COMPUTER NETWORK ARCHITECTURE 200 FOR ENABLING CONSUMER TO CONSUMER PAYMENTS
PAYMENT INSTRUMENT PROCESSORS 265
285
FLASH CASH PROCESSOR
290
CREDIT CARD TRANSACTION PROCESSOR
DISBURSEMENT INSTRUMENT PROCESSORS 260
270
ELECTRONIC FUND TRANSACTION PROCESSOR
275
VIRTUAL PRIVATE PAYMENT ACCOUNT PROCESSOR
280
PAPER CHECK PROCESSOR
SHIPPING SERVICE TRACKING DATABASE
250
CONSUMER TO CONSUMER PAYMENT ENABLER (RUN BY INTERMEDIARY)
240
PAYOR/PAYEE TRANSACTION FACILITATOR (E.G., ONLINE AUCTION)
230
210
PAYEE (SELLER) COMPUTER
220
PAYOR (BUYER) COMPUTER

FIG. 2

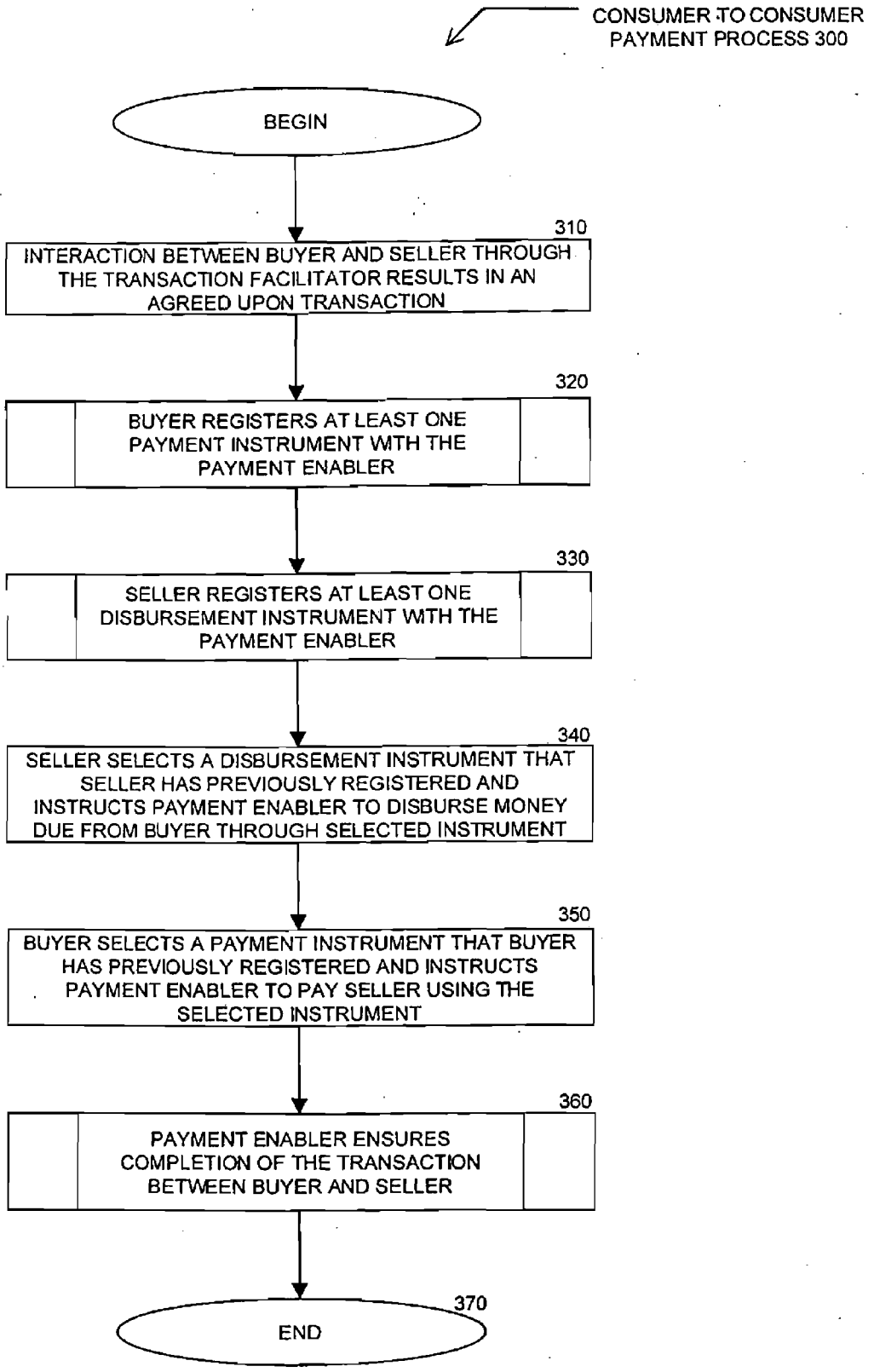

CONSUMER TO CONSUMER PAYMENT PROCESS 300
BEGIN
310
INTERACTION BETWEEN BUYER AND SELLER THROUGH THE TRANSACTION FACILITATOR RESULTS IN AN AGREED UPON TRANSACTION
320
BUYER REGISTERS AT LEAST ONE PAYMENT INSTRUMENT WITH THE PAYMENT ENABLER
330
SELLER REGISTERS AT LEAST ONE DISBURSEMENT INSTRUMENT WITH THE PAYMENT ENABLER
340
SELLER SELECTS A DISBURSEMENT INSTRUMENT THAT SELLER HAS PREVIOUSLY REGISTERED AND INSTRUCTS PAYMENT ENABLER TO DISBURSE MONEY DUE FROM BUYER THROUGH SELECTED INSTRUMENT
350
BUYER SELECTS A PAYMENT INSTRUMENT THAT BUYER HAS PREVIOUSLY REGISTERED AND INSTRUCTS PAYMENT ENABLER TO PAY SELLER USING THE SELECTED INSTRUMENT
360
PAYMENT ENABLER ENSURES COMPLETION OF THE TRANSACTION BETWEEN BUYER AND SELLER
370
END

FIG. 3

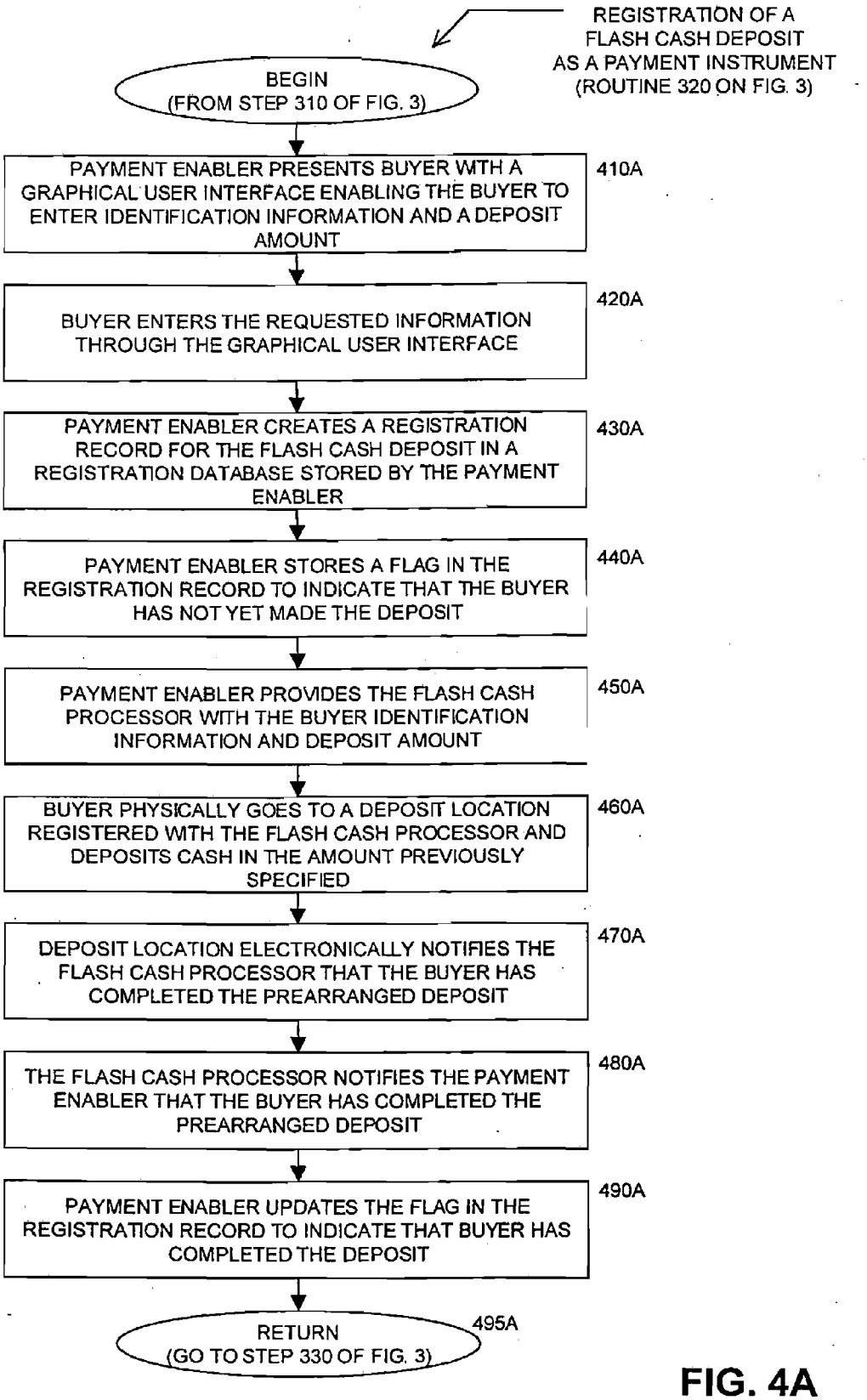

REGISTRATION OF A FLASH CASH DEPOSIT AS A PAYMENT INSTRUMENT (ROUTINE 320 ON FIG. 3)
BEGIN (FROM STEP 310 OF FIG. 3)
PAYMENT ENABLER PRESENTS BUYER WITH A GRAPHICAL USER INTERFACE ENABLING THE BUYER TO ENTER IDENTIFICATION INFORMATION AND A DEPOSIT AMOUNT
410A
BUYER ENTERS THE REQUESTED INFORMATION THROUGH THE GRAPHICAL USER INTERFACE
420A
PAYMENT ENABLER CREATES A REGISTRATION RECORD FOR THE FLASH CASH DEPOSIT IN A REGISTRATION DATABASE STORED BY THE PAYMENT ENABLER
430A
PAYMENT ENABLER STORES A FLAG IN THE REGISTRATION RECORD TO INDICATE THAT THE BUYER HAS NOT YET MADE THE DEPOSIT
440A
PAYMENT ENABLER PROVIDES THE FLASH CASH PROCESSOR WITH THE BUYER IDENTIFICATION INFORMATION AND DEPOSIT AMOUNT
450A
BUYER PHYSICALLY GOES TO A DEPOSIT LOCATION REGISTERED WITH THE FLASH CASH PROCESSOR AND DEPOSITS CASH IN THE AMOUNT PREVIOUSLY SPECIFIED
460A
DEPOSIT LOCATION ELECTRONICALLY NOTIFIES THE FLASH CASH PROCESSOR THAT THE BUYER HAS COMPLETED THE PREARRANGED DEPOSIT
470A
THE FLASH CASH PROCESSOR NOTIFIES THE PAYMENT ENABLER THAT THE BUYER HAS COMPLETED THE PREARRANGED DEPOSIT
480A
PAYMENT ENABLER UPDATES THE FLAG IN THE REGISTRATION RECORD TO INDICATE THAT BUYER HAS COMPLETED THE DEPOSIT
490A
RETURN (GO TO STEP 330 OF FIG. 3)
495A

FIG. 4A

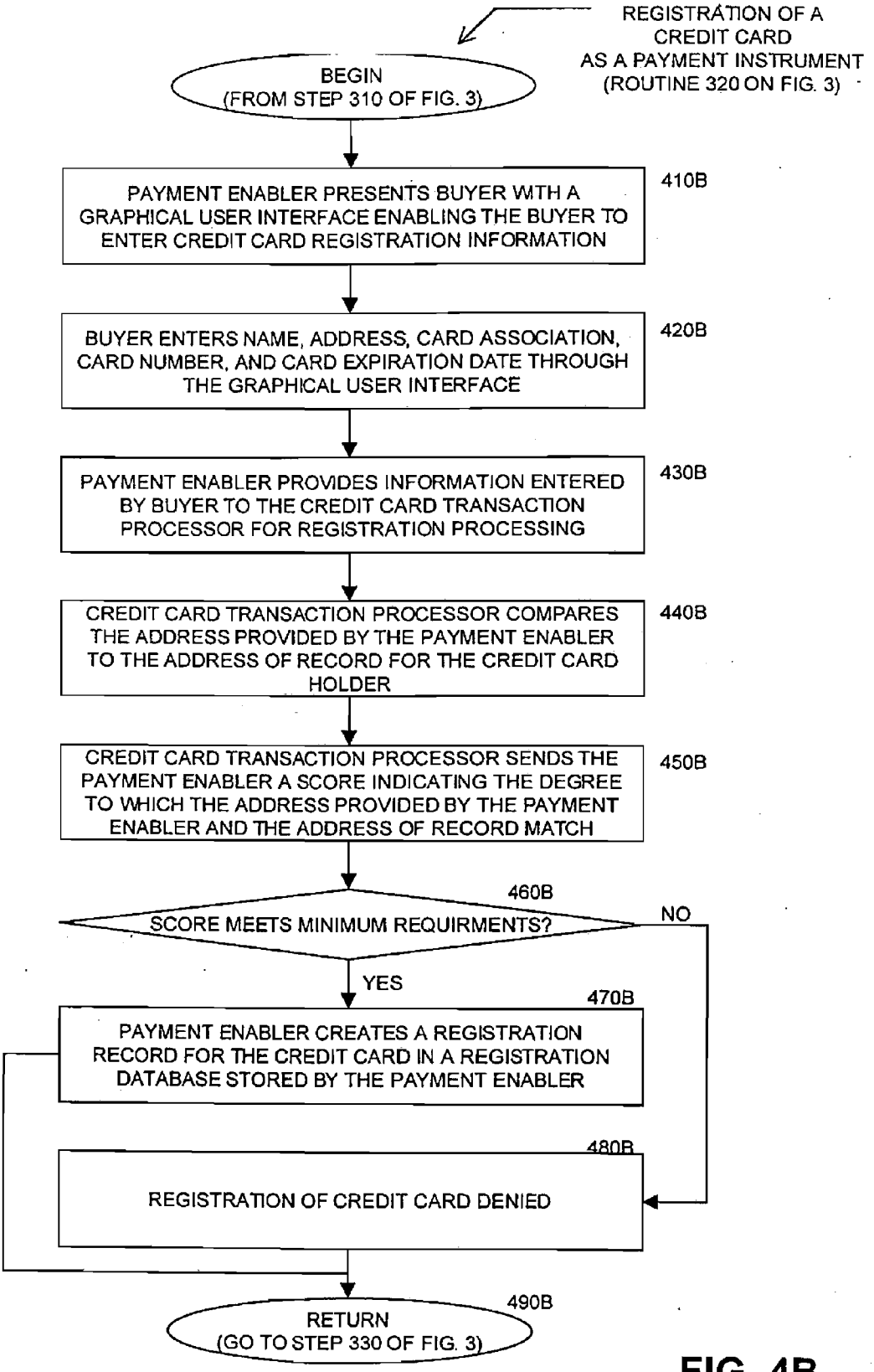

REGISTRATION OF A CREDIT CARD AS A PAYMENT INSTRUMENT (ROUTINE 320 ON FIG. 3)
BEGIN (FROM STEP 310 OF FIG. 3)
PAYMENT ENABLER PRESENTS BUYER WITH A GRAPHICAL USER INTERFACE ENABLING THE BUYER TO ENTER CREDIT CARD REGISTRATION INFORMATION
410B
BUYER ENTERS NAME, ADDRESS, CARD ASSOCIATION, CARD NUMBER, AND CARD EXPIRATION DATE THROUGH THE GRAPHICAL USER INTERFACE
420B
PAYMENT ENABLER PROVIDES INFORMATION ENTERED BY BUYER TO THE CREDIT CARD TRANSACTION PROCESSOR FOR REGISTRATION PROCESSING
430B
CREDIT CARD TRANSACTION PROCESSOR COMPARES THE ADDRESS PROVIDED BY THE PAYMENT ENABLER TO THE ADDRESS OF RECORD FOR THE CREDIT CARD HOLDER
440B
CREDIT CARD TRANSACTION PROCESSOR SENDS THE PAYMENT ENABLER A SCORE INDICATING THE DEGREE TO WHICH THE ADDRESS PROVIDED BY THE PAYMENT ENABLER AND THE ADDRESS OF RECORD MATCH
450B
460B
SCORE MEETS MINIMUM REQUIRMENTS?
NO
YES
470B
PAYMENT ENABLER CREATES A REGISTRATION RECORD FOR THE CREDIT CARD IN A REGISTRATION DATABASE STORED BY THE PAYMENT ENABLER
480B
REGISTRATION OF CREDIT CARD DENIED
490B
RETURN (GO TO STEP 330 OF FIG. 3)

FIG. 4B

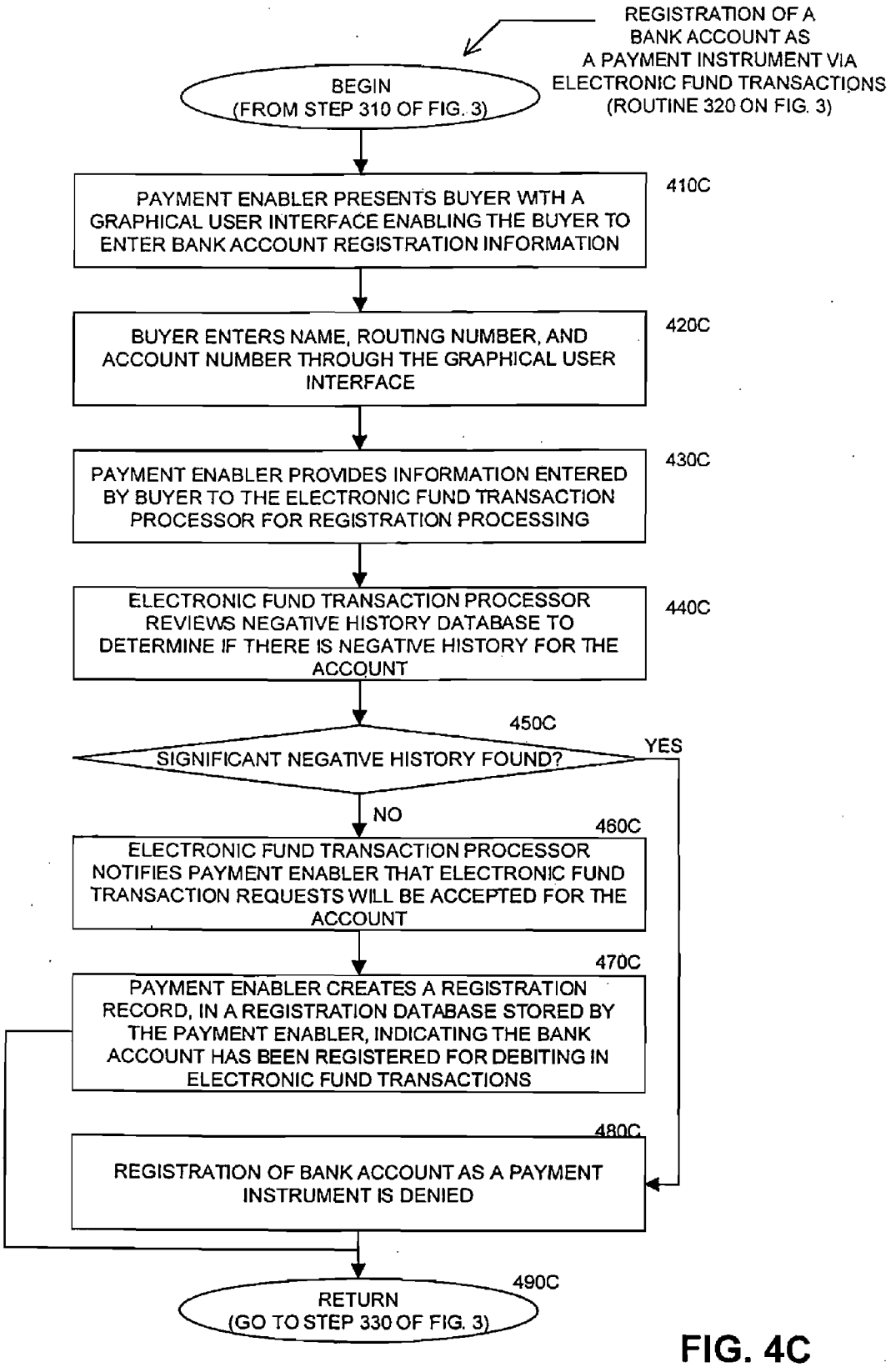

REGISTRATION OF A BANK ACCOUNT AS A PAYMENT INSTRUMENT VIA ELECTRONIC FUND TRANSACTIONS (ROUTINE 320 ON FIG. 3)
BEGIN (FROM STEP 310 OF FIG. 3)
PAYMENT ENABLER PRESENTS BUYER WITH A GRAPHICAL USER INTERFACE ENABLING THE BUYER TO ENTER BANK ACCOUNT REGISTRATION INFORMATION
410C
BUYER ENTERS NAME, ROUTING NUMBER, AND ACCOUNT NUMBER THROUGH THE GRAPHICAL USER INTERFACE
420C
PAYMENT ENABLER PROVIDES INFORMATION ENTERED BY BUYER TO THE ELECTRONIC FUND TRANSACTION PROCESSOR FOR REGISTRATION PROCESSING
430C
ELECTRONIC FUND TRANSACTION PROCESSOR REVIEWS NEGATIVE HISTORY DATABASE TO DETERMINE IF THERE IS NEGATIVE HISTORY FOR THE ACCOUNT
440C
450C
SIGNIFICANT NEGATIVE HISTORY FOUND?
YES
NO
460C
ELECTRONIC FUND TRANSACTION PROCESSOR NOTIFIES PAYMENT ENABLER THAT ELECTRONIC FUND TRANSACTION REQUESTS WILL BE ACCEPTED FOR THE ACCOUNT
470C
PAYMENT ENABLER CREATES A REGISTRATION RECORD, IN A REGISTRATION DATABASE STORED BY THE PAYMENT ENABLER, INDICATING THE BANK ACCOUNT HAS BEEN REGISTERED FOR DEBITING IN ELECTRONIC FUND TRANSACTIONS
480C
REGISTRATION OF BANK ACCOUNT AS A PAYMENT INSTRUMENT IS DENIED
490C
RETURN (GO TO STEP 330 OF FIG. 3)

FIG. 4C

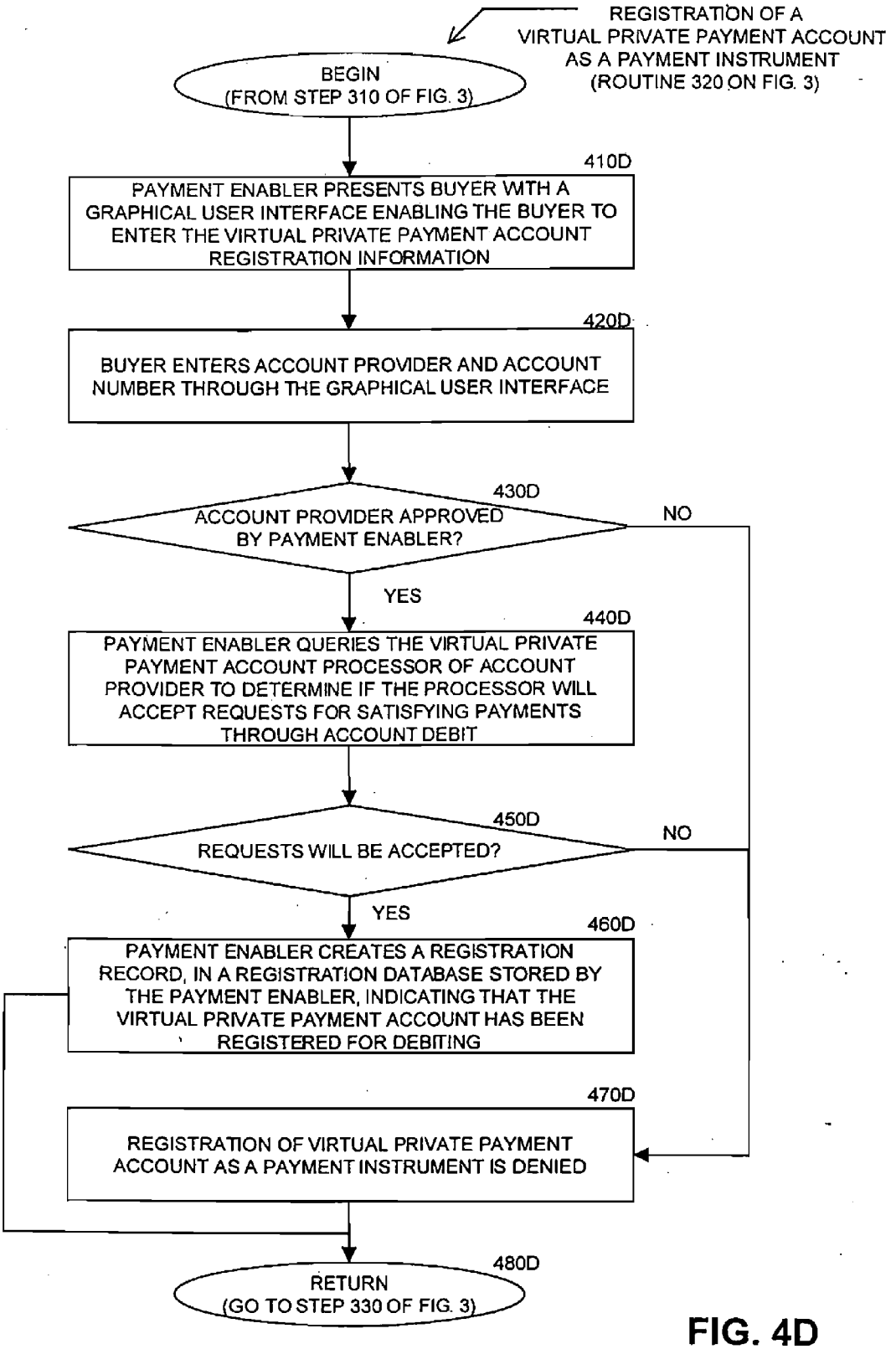

REGISTRATION OF A VIRTUAL PRIVATE PAYMENT ACCOUNT AS A PAYMENT INSTRUMENT (ROUTINE 320 ON FIG. 3)
BEGIN (FROM STEP 310 OF FIG. 3)
410D
PAYMENT ENABLER PRESENTS BUYER WITH A GRAPHICAL USER INTERFACE ENABLING THE BUYER TO ENTER THE VIRTUAL PRIVATE PAYMENT ACCOUNT REGISTRATION INFORMATION
420D
BUYER ENTERS ACCOUNT PROVIDER AND ACCOUNT NUMBER THROUGH THE GRAPHICAL USER INTERFACE
430D
ACCOUNT PROVIDER APPROVED BY PAYMENT ENABLER?
NO
YES
440D
PAYMENT ENABLER QUERIES THE VIRTUAL PRIVATE PAYMENT ACCOUNT PROCESSOR OF ACCOUNT PROVIDER TO DETERMINE IF THE PROCESSOR WILL ACCEPT REQUESTS FOR SATISFYING PAYMENTS THROUGH ACCOUNT DEBIT
450D
REQUESTS WILL BE ACCEPTED?
NO
YES
460D
PAYMENT ENABLER CREATES A REGISTRATION RECORD, IN A REGISTRATION DATABASE STORED BY THE PAYMENT ENABLER, INDICATING THAT THE VIRTUAL PRIVATE PAYMENT ACCOUNT HAS BEEN REGISTERED FOR DEBITING
470D
REGISTRATION OF VIRTUAL PRIVATE PAYMENT ACCOUNT AS A PAYMENT INSTRUMENT IS DENIED
480D
RETURN (GO TO STEP 330 OF FIG. 3)

FIG. 4D

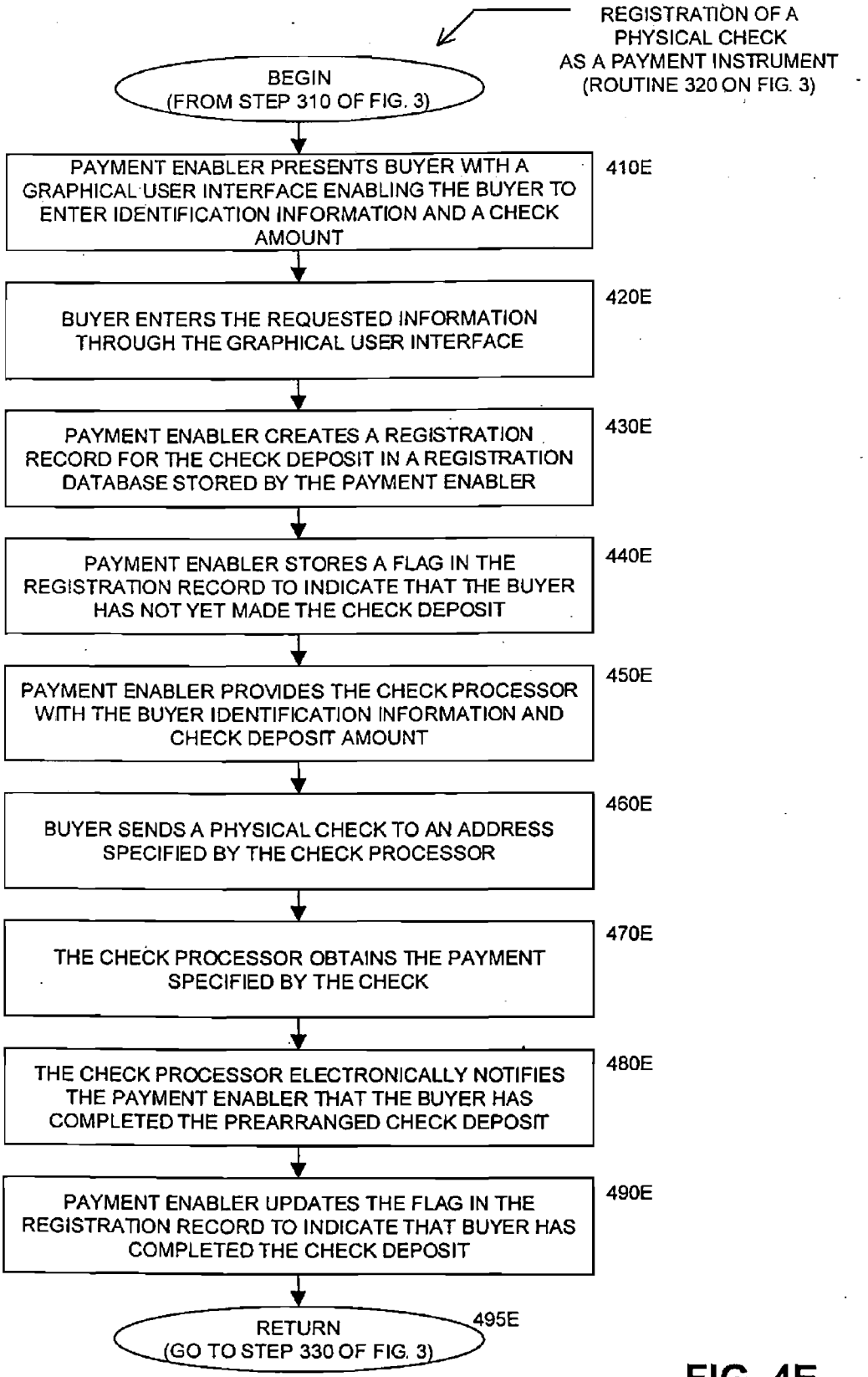

REGISTRATION OF A PHYSICAL CHECK AS A PAYMENT INSTRUMENT (ROUTINE 320 ON FIG. 3)
BEGIN (FROM STEP 310 OF FIG. 3)
PAYMENT ENABLER PRESENTS BUYER WITH A GRAPHICAL USER INTERFACE ENABLING THE BUYER TO ENTER IDENTIFICATION INFORMATION AND A CHECK AMOUNT
410E
BUYER ENTERS THE REQUESTED INFORMATION THROUGH THE GRAPHICAL USER INTERFACE
420E
PAYMENT ENABLER CREATES A REGISTRATION RECORD FOR THE CHECK DEPOSIT IN A REGISTRATION DATABASE STORED BY THE PAYMENT ENABLER
430E
PAYMENT ENABLER STORES A FLAG IN THE REGISTRATION RECORD TO INDICATE THAT THE BUYER HAS NOT YET MADE THE CHECK DEPOSIT
440E
PAYMENT ENABLER PROVIDES THE CHECK PROCESSOR WITH THE BUYER IDENTIFICATION INFORMATION AND CHECK DEPOSIT AMOUNT
450E
BUYER SENDS A PHYSICAL CHECK TO AN ADDRESS SPECIFIED BY THE CHECK PROCESSOR
460E
THE CHECK PROCESSOR OBTAINS THE PAYMENT SPECIFIED BY THE CHECK
470E
THE CHECK PROCESSOR ELECTRONICALLY NOTIFIES THE PAYMENT ENABLER THAT THE BUYER HAS COMPLETED THE PREARRANGED CHECK DEPOSIT
480E
PAYMENT ENABLER UPDATES THE FLAG IN THE REGISTRATION RECORD TO INDICATE THAT BUYER HAS COMPLETED THE CHECK DEPOSIT
490E
RETURN (GO TO STEP 330 OF FIG. 3)
495E

FIG. 4E

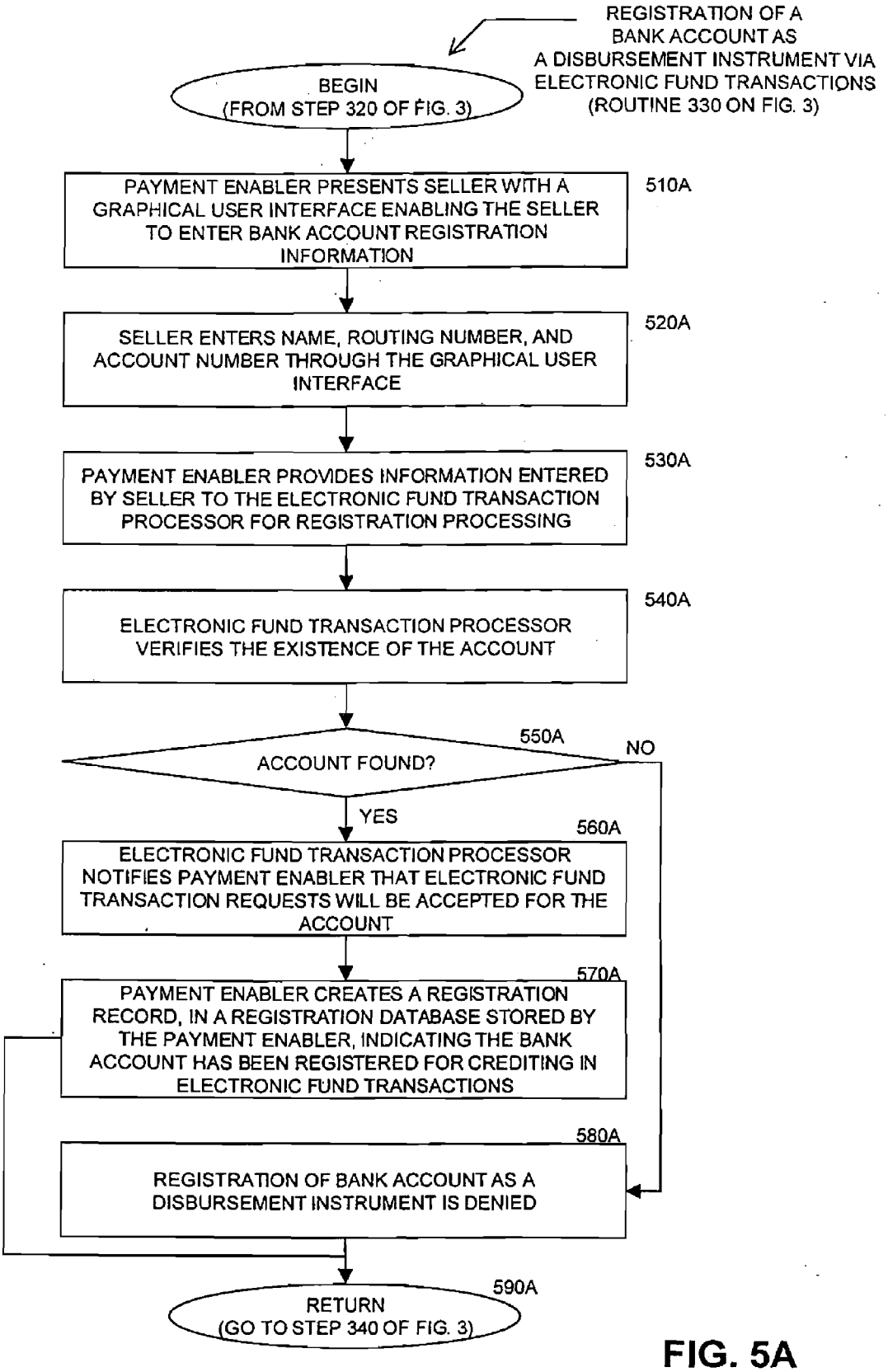

REGISTRATION OF A BANK ACCOUNT AS A DISBURSEMENT INSTRUMENT VIA ELECTRONIC FUND TRANSACTIONS (ROUTINE 330 ON FIG. 3)
BEGIN (FROM STEP 320 OF FIG. 3)
PAYMENT ENABLER PRESENTS SELLER WITH A GRAPHICAL USER INTERFACE ENABLING THE SELLER TO ENTER BANK ACCOUNT REGISTRATION INFORMATION
510A
SELLER ENTERS NAME, ROUTING NUMBER, AND ACCOUNT NUMBER THROUGH THE GRAPHICAL USER INTERFACE
520A
PAYMENT ENABLER PROVIDES INFORMATION ENTERED BY SELLER TO THE ELECTRONIC FUND TRANSACTION PROCESSOR FOR REGISTRATION PROCESSING
530A
ELECTRONIC FUND TRANSACTION PROCESSOR VERIFIES THE EXISTENCE OF THE ACCOUNT
540A
ACCOUNT FOUND?
550A
NO
YES
ELECTRONIC FUND TRANSACTION PROCESSOR NOTIFIES PAYMENT ENABLER THAT ELECTRONIC FUND TRANSACTION REQUESTS WILL BE ACCEPTED FOR THE ACCOUNT
560A
PAYMENT ENABLER CREATES A REGISTRATION RECORD, IN A REGISTRATION DATABASE STORED BY THE PAYMENT ENABLER, INDICATING THE BANK ACCOUNT HAS BEEN REGISTERED FOR CREDITING IN ELECTRONIC FUND TRANSACTIONS
570A
REGISTRATION OF BANK ACCOUNT AS A DISBURSEMENT INSTRUMENT IS DENIED
580A
RETURN (GO TO STEP 340 OF FIG. 3)
590A

FIG. 5A

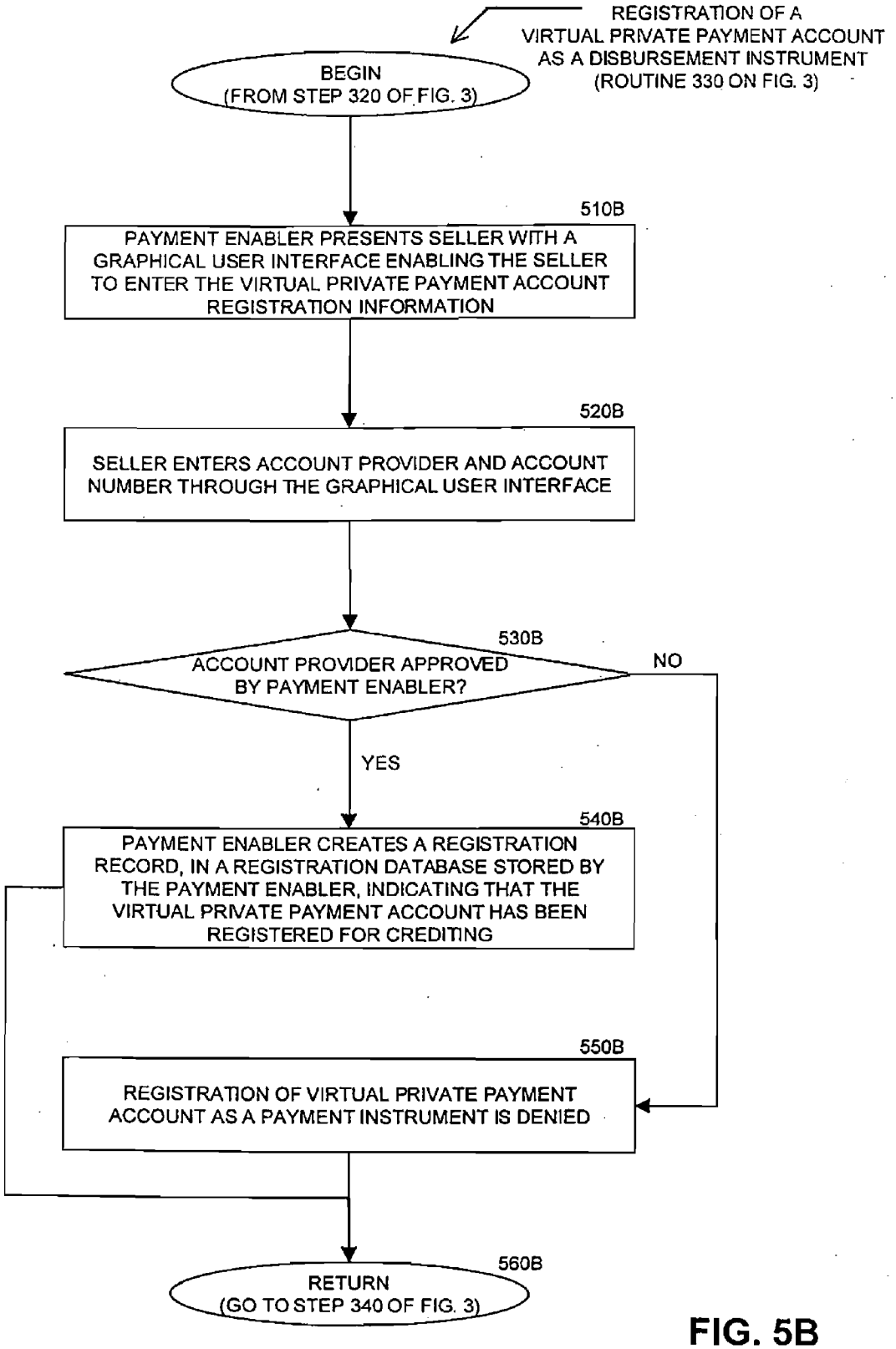

REGISTRATION OF A VIRTUAL PRIVATE PAYMENT ACCOUNT AS A DISBURSEMENT INSTRUMENT (ROUTINE 330 ON FIG. 3)
BEGIN (FROM STEP 320 OF FIG. 3)
510B
PAYMENT ENABLER PRESENTS SELLER WITH A GRAPHICAL USER INTERFACE ENABLING THE SELLER TO ENTER THE VIRTUAL PRIVATE PAYMENT ACCOUNT REGISTRATION INFORMATION
520B
SELLER ENTERS ACCOUNT PROVIDER AND ACCOUNT NUMBER THROUGH THE GRAPHICAL USER INTERFACE
530B
ACCOUNT PROVIDER APPROVED BY PAYMENT ENABLER?
NO
YES
540B
PAYMENT ENABLER CREATES A REGISTRATION RECORD, IN A REGISTRATION DATABASE STORED BY THE PAYMENT ENABLER, INDICATING THAT THE VIRTUAL PRIVATE PAYMENT ACCOUNT HAS BEEN REGISTERED FOR CREDITING
550B
REGISTRATION OF VIRTUAL PRIVATE PAYMENT ACCOUNT AS A PAYMENT INSTRUMENT IS DENIED
560B
RETURN (GO TO STEP 340 OF FIG. 3)

FIG. 5B

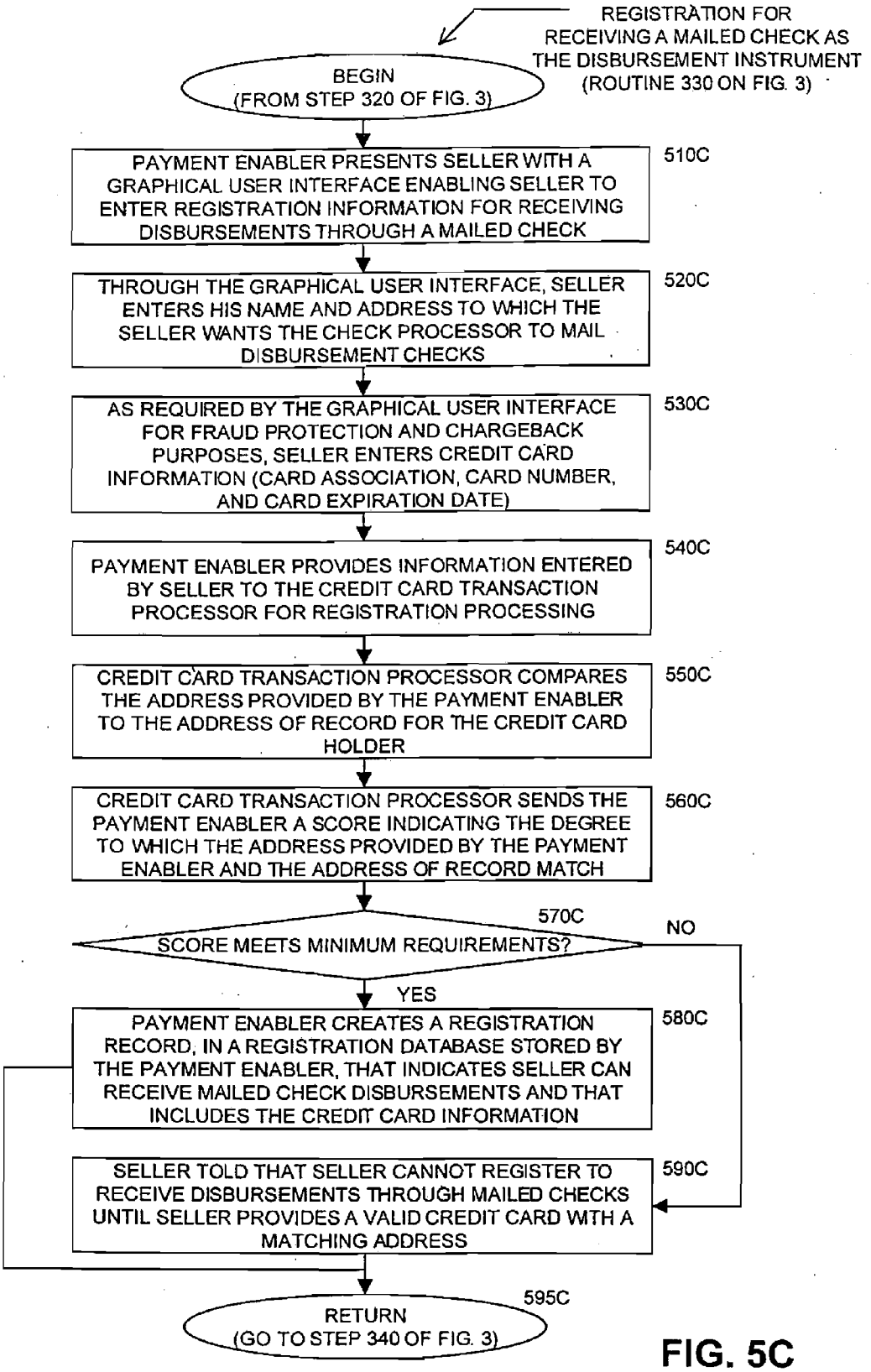

REGISTRATION FOR RECEIVING A MAILED CHECK AS THE DISBURSEMENT INSTRUMENT (ROUTINE 330 ON FIG. 3)
BEGIN (FROM STEP 320 OF FIG. 3)
PAYMENT ENABLER PRESENTS SELLER WITH A GRAPHICAL USER INTERFACE ENABLING SELLER TO ENTER REGISTRATION INFORMATION FOR RECEIVING DISBURSEMENTS THROUGH A MAILED CHECK
510C
THROUGH THE GRAPHICAL USER INTERFACE, SELLER ENTERS HIS NAME AND ADDRESS TO WHICH THE SELLER WANTS THE CHECK PROCESSOR TO MAIL DISBURSEMENT CHECKS
520C
AS REQUIRED BY THE GRAPHICAL USER INTERFACE FOR FRAUD PROTECTION AND CHARGEBACK PURPOSES, SELLER ENTERS CREDIT CARD INFORMATION (CARD ASSOCIATION, CARD NUMBER, AND CARD EXPIRATION DATE)
530C
PAYMENT ENABLER PROVIDES INFORMATION ENTERED BY SELLER TO THE CREDIT CARD TRANSACTION PROCESSOR FOR REGISTRATION PROCESSING
540C
CREDIT CARD TRANSACTION PROCESSOR COMPARES THE ADDRESS PROVIDED BY THE PAYMENT ENABLER TO THE ADDRESS OF RECORD FOR THE CREDIT CARD HOLDER
550C
CREDIT CARD TRANSACTION PROCESSOR SENDS THE PAYMENT ENABLER A SCORE INDICATING THE DEGREE TO WHICH THE ADDRESS PROVIDED BY THE PAYMENT ENABLER AND THE ADDRESS OF RECORD MATCH
560C
570C
SCORE MEETS MINIMUM REQUIREMENTS?
NO
YES
PAYMENT ENABLER CREATES A REGISTRATION RECORD, IN A REGISTRATION DATABASE STORED BY THE PAYMENT ENABLER, THAT INDICATES SELLER CAN RECEIVE MAILED CHECK DISBURSEMENTS AND THAT INCLUDES THE CREDIT CARD INFORMATION
580C
SELLER TOLD THAT SELLER CANNOT REGISTER TO RECEIVE DISBURSEMENTS THROUGH MAILED CHECKS UNTIL SELLER PROVIDES A VALID CREDIT CARD WITH A MATCHING ADDRESS
590C
595C
RETURN (GO TO STEP 340 OF FIG. 3)

FIG. 5C

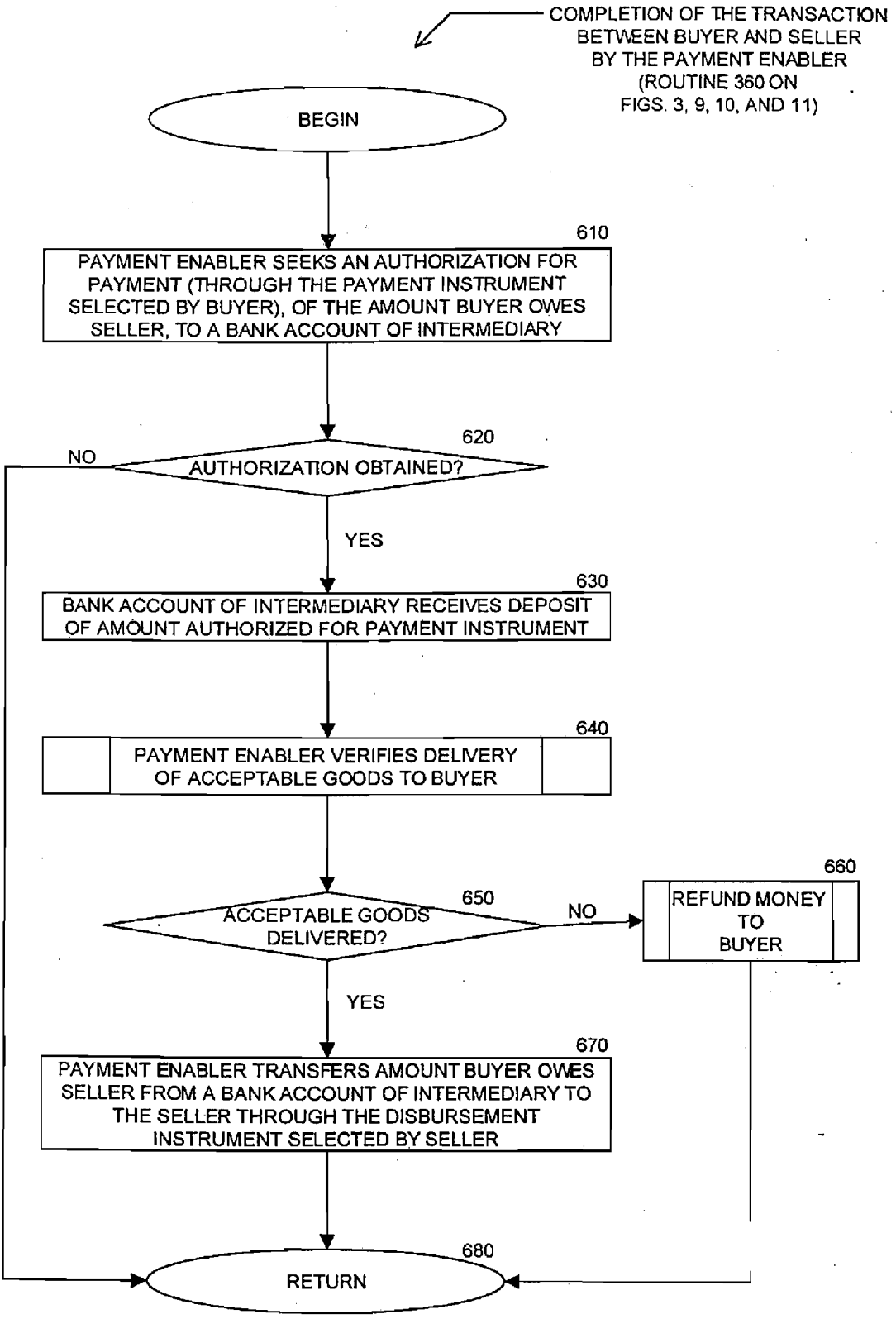

COMPLETION OF THE TRANSACTION BETWEEN BUYER AND SELLER BY THE PAYMENT ENABLER (ROUTINE 360 ON FIGS. 3, 9, 10, AND 11)
BEGIN
610
PAYMENT ENABLER SEEKS AN AUTHORIZATION FOR PAYMENT (THROUGH THE PAYMENT INSTRUMENT SELECTED BY BUYER), OF THE AMOUNT BUYER OWES SELLER, TO A BANK ACCOUNT OF INTERMEDIARY
620
AUTHORIZATION OBTAINED?
NO
YES
630
BANK ACCOUNT OF INTERMEDIARY RECEIVES DEPOSIT OF AMOUNT AUTHORIZED FOR PAYMENT INSTRUMENT
640
PAYMENT ENABLER VERIFIES DELIVERY OF ACCEPTABLE GOODS TO BUYER
650
ACCEPTABLE GOODS DELIVERED?
NO
660
REFUND MONEY TO BUYER
YES
670
PAYMENT ENABLER TRANSFERS AMOUNT BUYER OWES SELLER FROM A BANK ACCOUNT OF INTERMEDIARY TO THE SELLER THROUGH THE DISBURSEMENT INSTRUMENT SELECTED BY SELLER
680
RETURN

FIG. 6

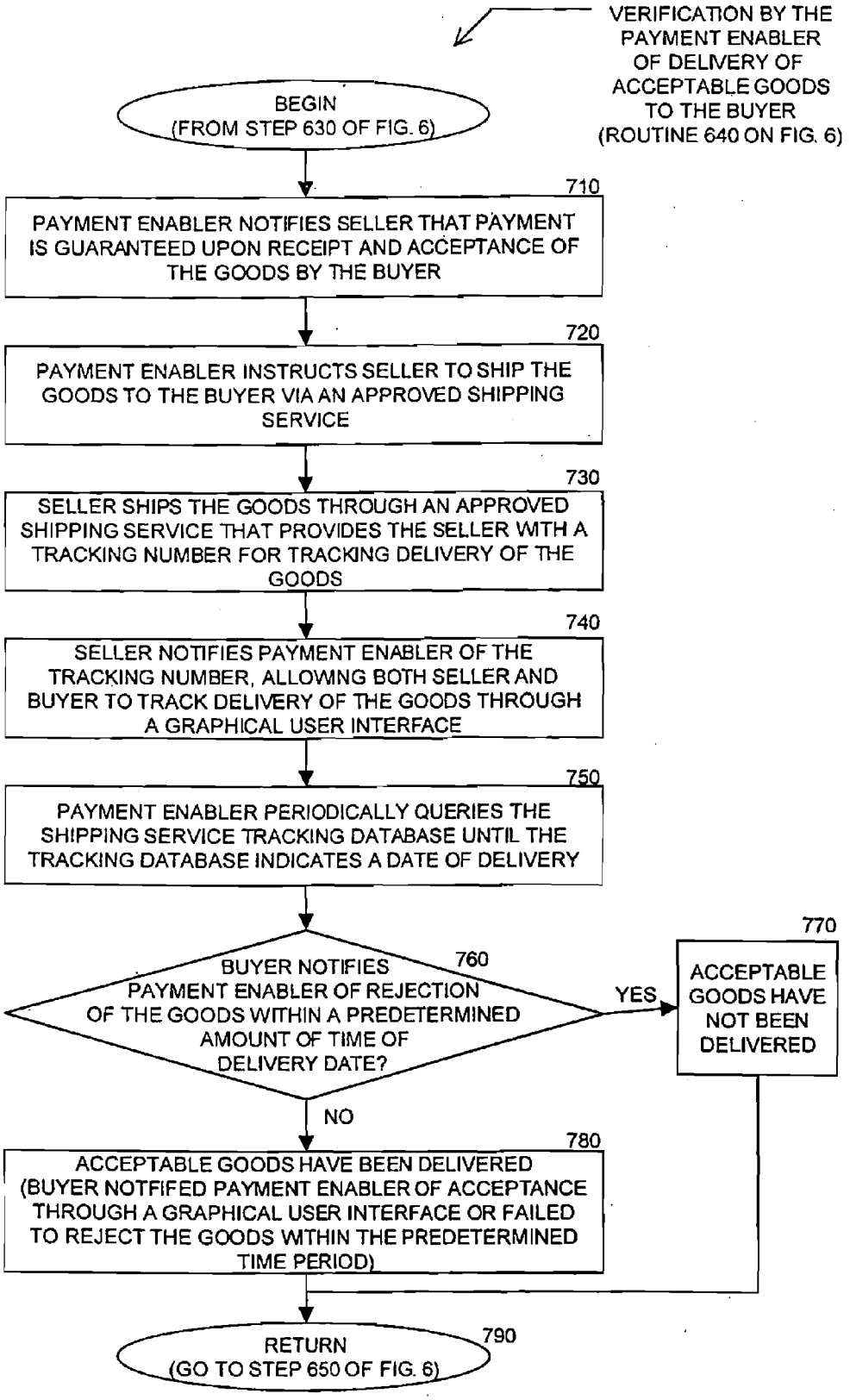

VERIFICATION BY THE PAYMENT ENABLER OF DELIVERY OF ACCEPTABLE GOODS TO THE BUYER (ROUTINE 640 ON FIG. 6)
BEGIN (FROM STEP 630 OF FIG. 6)
710
PAYMENT ENABLER NOTIFIES SELLER THAT PAYMENT IS GUARANTEED UPON RECEIPT AND ACCEPTANCE OF THE GOODS BY THE BUYER
720
PAYMENT ENABLER INSTRUCTS SELLER TO SHIP THE GOODS TO THE BUYER VIA AN APPROVED SHIPPING SERVICE
730
SELLER SHIPS THE GOODS THROUGH AN APPROVED SHIPPING SERVICE THAT PROVIDES THE SELLER WITH A TRACKING NUMBER FOR TRACKING DELIVERY OF THE GOODS
740
SELLER NOTIFIES PAYMENT ENABLER OF THE TRACKING NUMBER, ALLOWING BOTH SELLER AND BUYER TO TRACK DELIVERY OF THE GOODS THROUGH A GRAPHICAL USER INTERFACE
750
PAYMENT ENABLER PERIODICALLY QUERIES THE SHIPPING SERVICE TRACKING DATABASE UNTIL THE TRACKING DATABASE INDICATES A DATE OF DELIVERY
760
BUYER NOTIFIES PAYMENT ENABLER OF REJECTION OF THE GOODS WITHIN A PREDETERMINED AMOUNT OF TIME OF DELIVERY DATE?
YES
770
ACCEPTABLE GOODS HAVE NOT BEEN DELIVERED
NO
780
ACCEPTABLE GOODS HAVE BEEN DELIVERED (BUYER NOTFIED PAYMENT ENABLER OF ACCEPTANCE THROUGH A GRAPHICAL USER INTERFACE OR FAILED TO REJECT THE GOODS WITHIN THE PREDETERMINED TIME PERIOD)
RETURN (GO TO STEP 650 OF FIG. 6)
790

FIG. 7

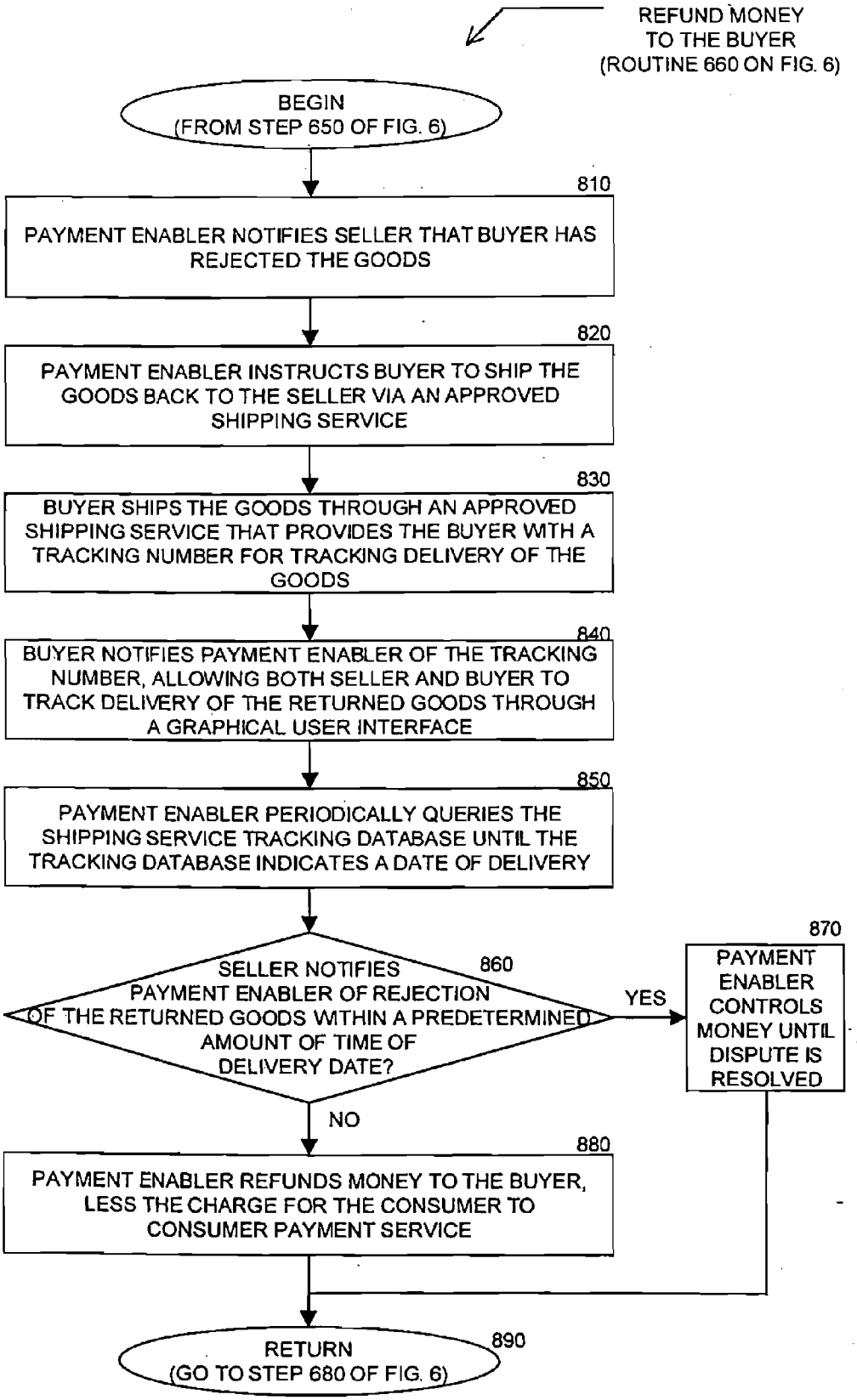

REFUND MONEY TO THE BUYER (ROUTINE 660 ON FIG. 6)
BEGIN (FROM STEP 650 OF FIG. 6)
810
PAYMENT ENABLER NOTIFIES SELLER THAT BUYER HAS REJECTED THE GOODS
820
PAYMENT ENABLER INSTRUCTS BUYER TO SHIP THE GOODS BACK TO THE SELLER VIA AN APPROVED SHIPPING SERVICE
830
BUYER SHIPS THE GOODS THROUGH AN APPROVED SHIPPING SERVICE THAT PROVIDES THE BUYER WITH A TRACKING NUMBER FOR TRACKING DELIVERY OF THE GOODS
840
BUYER NOTIFIES PAYMENT ENABLER OF THE TRACKING NUMBER, ALLOWING BOTH SELLER AND BUYER TO TRACK DELIVERY OF THE RETURNED GOODS THROUGH A GRAPHICAL USER INTERFACE
850
PAYMENT ENABLER PERIODICALLY QUERIES THE SHIPPING SERVICE TRACKING DATABASE UNTIL THE TRACKING DATABASE INDICATES A DATE OF DELIVERY
860
SELLER NOTIFIES PAYMENT ENABLER OF REJECTION OF THE RETURNED GOODS WITHIN A PREDETERMINED AMOUNT OF TIME OF DELIVERY DATE?
YES
870
PAYMENT ENABLER CONTROLS MONEY UNTIL DISPUTE IS RESOLVED
NO
880
PAYMENT ENABLER REFUNDS MONEY TO THE BUYER, LESS THE CHARGE FOR THE CONSUMER TO CONSUMER PAYMENT SERVICE
890
RETURN (GO TO STEP 680 OF FIG. 6)

FIG. 8

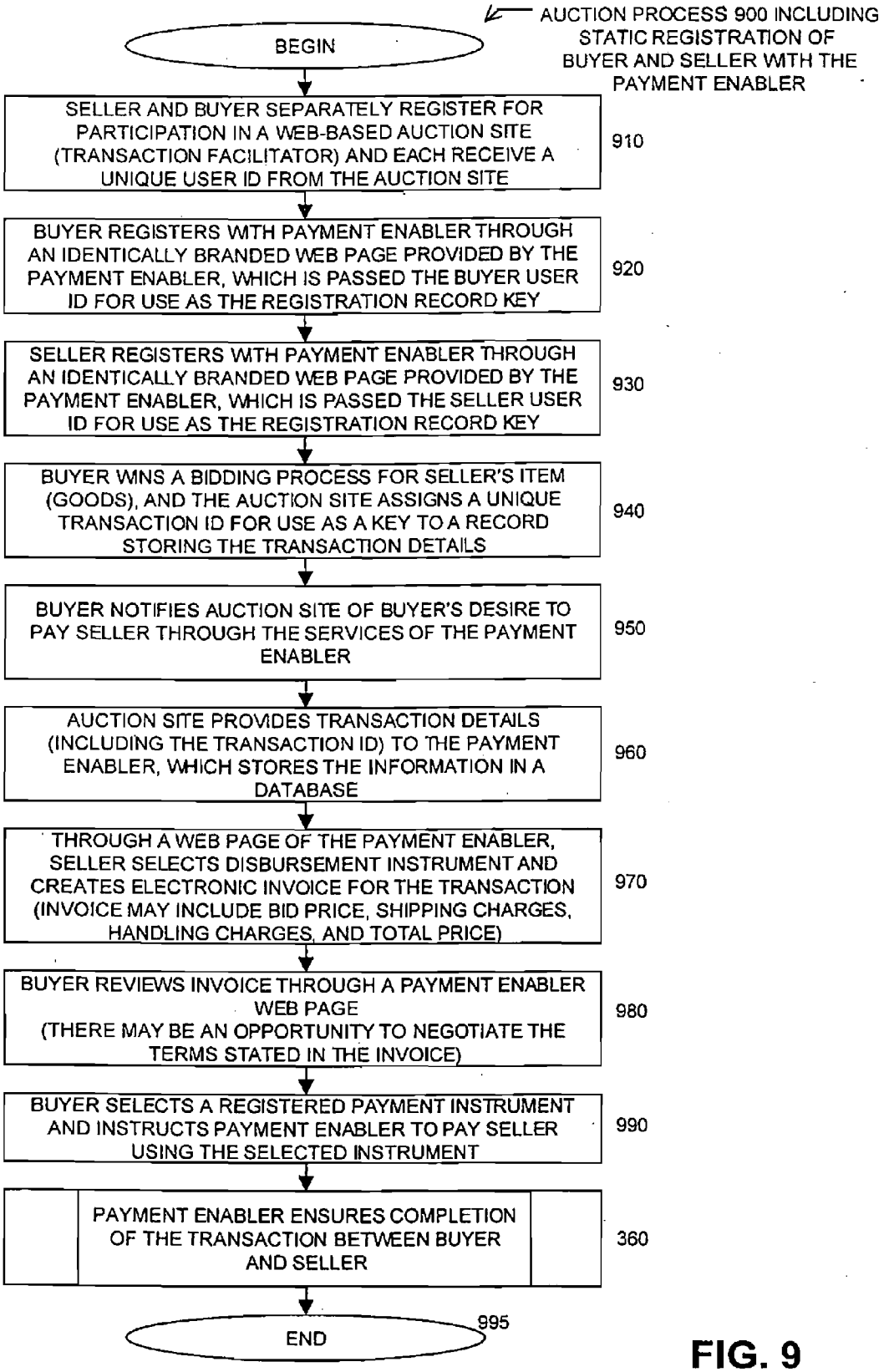

AUCTION PROCESS 900 INCLUDING STATIC REGISTRATION OF BUYER AND SELLER WITH THE PAYMENT ENABLER
BEGIN
SELLER AND BUYER SEPARATELY REGISTER FOR PARTICIPATION IN A WEB-BASED AUCTION SITE (TRANSACTION FACILITATOR) AND EACH RECEIVE A UNIQUE USER ID FROM THE AUCTION SITE
910
BUYER REGISTERS WITH PAYMENT ENABLER THROUGH AN IDENTICALLY BRANDED WEB PAGE PROVIDED BY THE PAYMENT ENABLER, WHICH IS PASSED THE BUYER USER ID FOR USE AS THE REGISTRATION RECORD KEY
920
SELLER REGISTERS WITH PAYMENT ENABLER THROUGH AN IDENTICALLY BRANDED WEB PAGE PROVIDED BY THE PAYMENT ENABLER, WHICH IS PASSED THE SELLER USER ID FOR USE AS THE REGISTRATION RECORD KEY
930
BUYER WINS A BIDDING PROCESS FOR SELLER'S ITEM (GOODS), AND THE AUCTION SITE ASSIGNS A UNIQUE TRANSACTION ID FOR USE AS A KEY TO A RECORD STORING THE TRANSACTION DETAILS
940
BUYER NOTIFIES AUCTION SITE OF BUYER'S DESIRE TO PAY SELLER THROUGH THE SERVICES OF THE PAYMENT ENABLER
950
AUCTION SITE PROVIDES TRANSACTION DETAILS (INCLUDING THE TRANSACTION ID) TO THE PAYMENT ENABLER, WHICH STORES THE INFORMATION IN A DATABASE
960
THROUGH A WEB PAGE OF THE PAYMENT ENABLER, SELLER SELECTS DISBURSEMENT INSTRUMENT AND CREATES ELECTRONIC INVOICE FOR THE TRANSACTION (INVOICE MAY INCLUDE BID PRICE, SHIPPING CHARGES, HANDLING CHARGES, AND TOTAL PRICE)
970
BUYER REVIEWS INVOICE THROUGH A PAYMENT ENABLER WEB PAGE (THERE MAY BE AN OPPORTUNITY TO NEGOTIATE THE TERMS STATED IN THE INVOICE)
980
BUYER SELECTS A REGISTERED PAYMENT INSTRUMENT AND INSTRUCTS PAYMENT ENABLER TO PAY SELLER USING THE SELECTED INSTRUMENT
990
PAYMENT ENABLER ENSURES COMPLETION OF THE TRANSACTION BETWEEN BUYER AND SELLER
360
END
995

FIG. 9

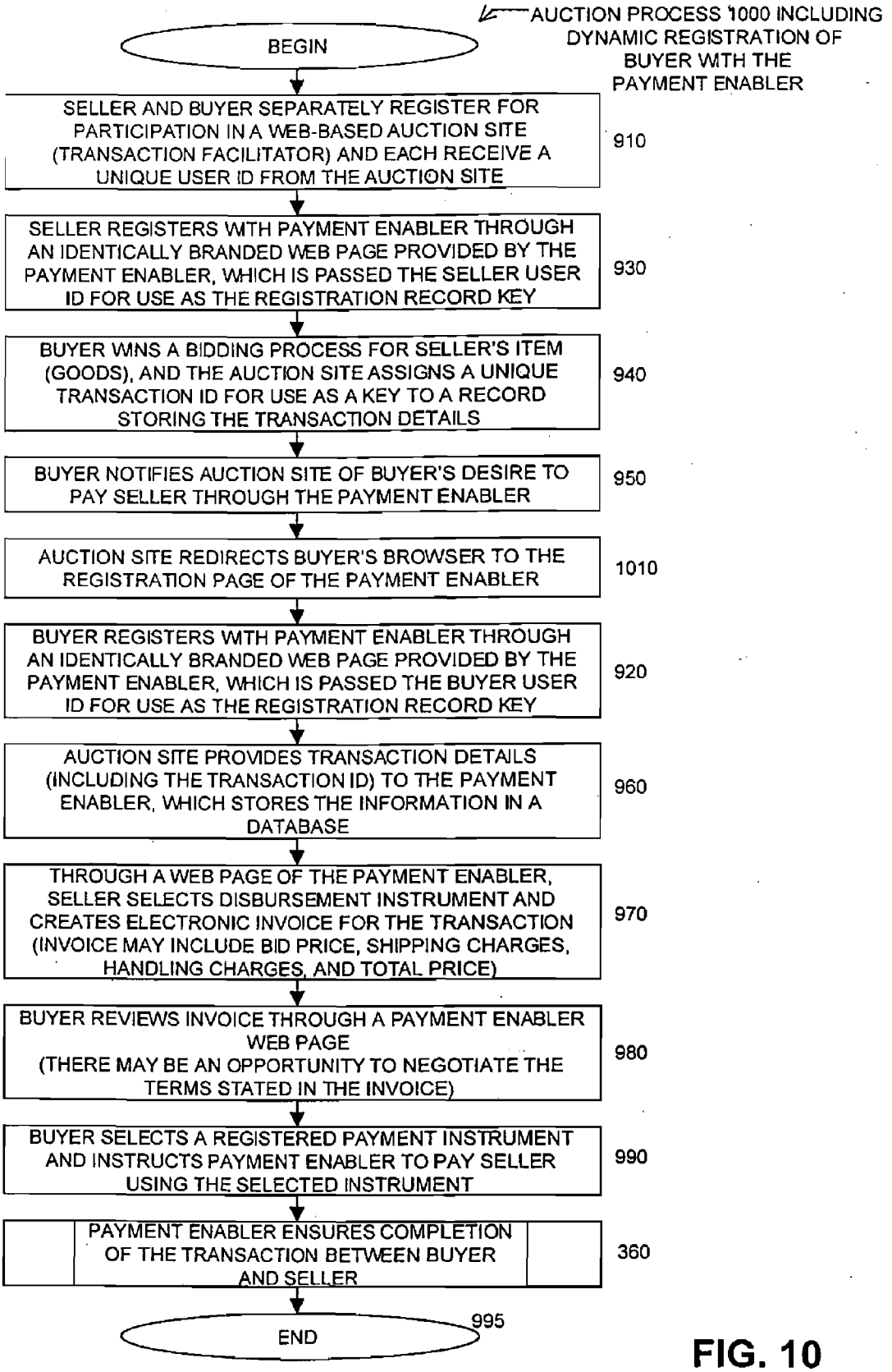

AUCTION PROCESS 1000 INCLUDING DYNAMIC REGISTRATION OF BUYER WITH THE PAYMENT ENABLER
BEGIN
SELLER AND BUYER SEPARATELY REGISTER FOR PARTICIPATION IN A WEB-BASED AUCTION SITE (TRANSACTION FACILITATOR) AND EACH RECEIVE A UNIQUE USER ID FROM THE AUCTION SITE
910
SELLER REGISTERS WITH PAYMENT ENABLER THROUGH AN IDENTICALLY BRANDED WEB PAGE PROVIDED BY THE PAYMENT ENABLER, WHICH IS PASSED THE SELLER USER ID FOR USE AS THE REGISTRATION RECORD KEY
930
BUYER WINS A BIDDING PROCESS FOR SELLER'S ITEM (GOODS), AND THE AUCTION SITE ASSIGNS A UNIQUE TRANSACTION ID FOR USE AS A KEY TO A RECORD STORING THE TRANSACTION DETAILS
940
BUYER NOTIFIES AUCTION SITE OF BUYER'S DESIRE TO PAY SELLER THROUGH THE PAYMENT ENABLER
950
AUCTION SITE REDIRECTS BUYER'S BROWSER TO THE REGISTRATION PAGE OF THE PAYMENT ENABLER
1010
BUYER REGISTERS WITH PAYMENT ENABLER THROUGH AN IDENTICALLY BRANDED WEB PAGE PROVIDED BY THE PAYMENT ENABLER, WHICH IS PASSED THE BUYER USER ID FOR USE AS THE REGISTRATION RECORD KEY
920
AUCTION SITE PROVIDES TRANSACTION DETAILS (INCLUDING THE TRANSACTION ID) TO THE PAYMENT ENABLER, WHICH STORES THE INFORMATION IN A DATABASE
960
THROUGH A WEB PAGE OF THE PAYMENT ENABLER, SELLER SELECTS DISBURSEMENT INSTRUMENT AND CREATES ELECTRONIC INVOICE FOR THE TRANSACTION (INVOICE MAY INCLUDE BID PRICE, SHIPPING CHARGES, HANDLING CHARGES, AND TOTAL PRICE)
970
BUYER REVIEWS INVOICE THROUGH A PAYMENT ENABLER WEB PAGE (THERE MAY BE AN OPPORTUNITY TO NEGOTIATE THE TERMS STATED IN THE INVOICE)
980
BUYER SELECTS A REGISTERED PAYMENT INSTRUMENT AND INSTRUCTS PAYMENT ENABLER TO PAY SELLER USING THE SELECTED INSTRUMENT
990
PAYMENT ENABLER ENSURES COMPLETION OF THE TRANSACTION BETWEEN BUYER AND SELLER
360
END
995

FIG. 10

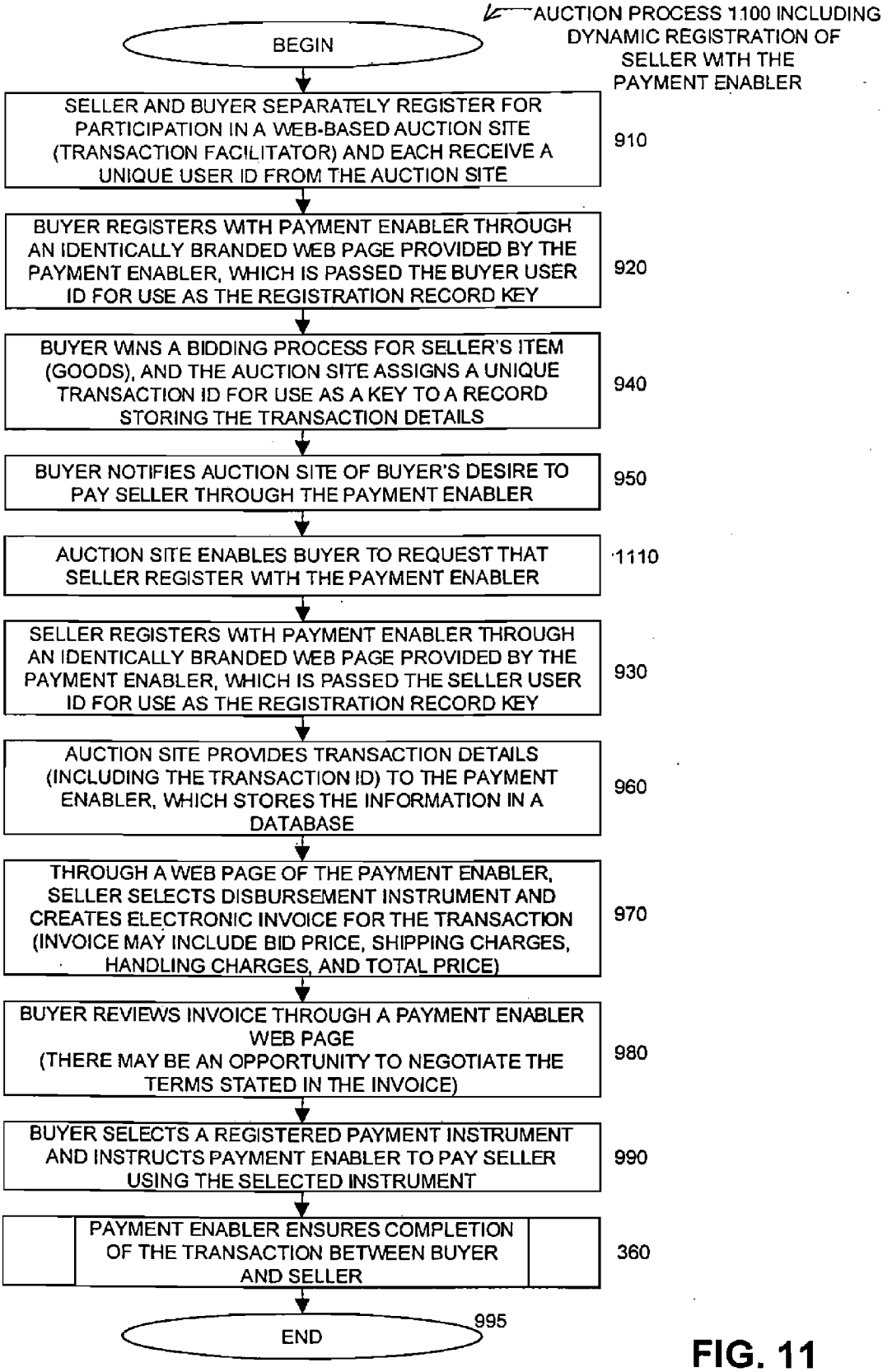

AUCTION PROCESS 1100 INCLUDING DYNAMIC REGISTRATION OF SELLER WITH THE PAYMENT ENABLER
BEGIN
SELLER AND BUYER SEPARATELY REGISTER FOR PARTICIPATION IN A WEB-BASED AUCTION SITE (TRANSACTION FACILITATOR) AND EACH RECEIVE A UNIQUE USER ID FROM THE AUCTION SITE
910
BUYER REGISTERS WITH PAYMENT ENABLER THROUGH AN IDENTICALLY BRANDED WEB PAGE PROVIDED BY THE PAYMENT ENABLER, WHICH IS PASSED THE BUYER USER ID FOR USE AS THE REGISTRATION RECORD KEY
920
BUYER WINS A BIDDING PROCESS FOR SELLER'S ITEM (GOODS), AND THE AUCTION SITE ASSIGNS A UNIQUE TRANSACTION ID FOR USE AS A KEY TO A RECORD STORING THE TRANSACTION DETAILS
940
BUYER NOTIFIES AUCTION SITE OF BUYER'S DESIRE TO PAY SELLER THROUGH THE PAYMENT ENABLER
950
AUCTION SITE ENABLES BUYER TO REQUEST THAT SELLER REGISTER WITH THE PAYMENT ENABLER
1110
SELLER REGISTERS WITH PAYMENT ENABLER THROUGH AN IDENTICALLY BRANDED WEB PAGE PROVIDED BY THE PAYMENT ENABLER, WHICH IS PASSED THE SELLER USER ID FOR USE AS THE REGISTRATION RECORD KEY
930
AUCTION SITE PROVIDES TRANSACTION DETAILS (INCLUDING THE TRANSACTION ID) TO THE PAYMENT ENABLER, WHICH STORES THE INFORMATION IN A DATABASE
960
THROUGH A WEB PAGE OF THE PAYMENT ENABLER, SELLER SELECTS DISBURSEMENT INSTRUMENT AND CREATES ELECTRONIC INVOICE FOR THE TRANSACTION (INVOICE MAY INCLUDE BID PRICE, SHIPPING CHARGES, HANDLING CHARGES, AND TOTAL PRICE)
970
BUYER REVIEWS INVOICE THROUGH A PAYMENT ENABLER WEB PAGE (THERE MAY BE AN OPPORTUNITY TO NEGOTIATE THE TERMS STATED IN THE INVOICE)
980
BUYER SELECTS A REGISTERED PAYMENT INSTRUMENT AND INSTRUCTS PAYMENT ENABLER TO PAY SELLER USING THE SELECTED INSTRUMENT
990
PAYMENT ENABLER ENSURES COMPLETION OF THE TRANSACTION BETWEEN BUYER AND SELLER
360
END
995

FIG. 11

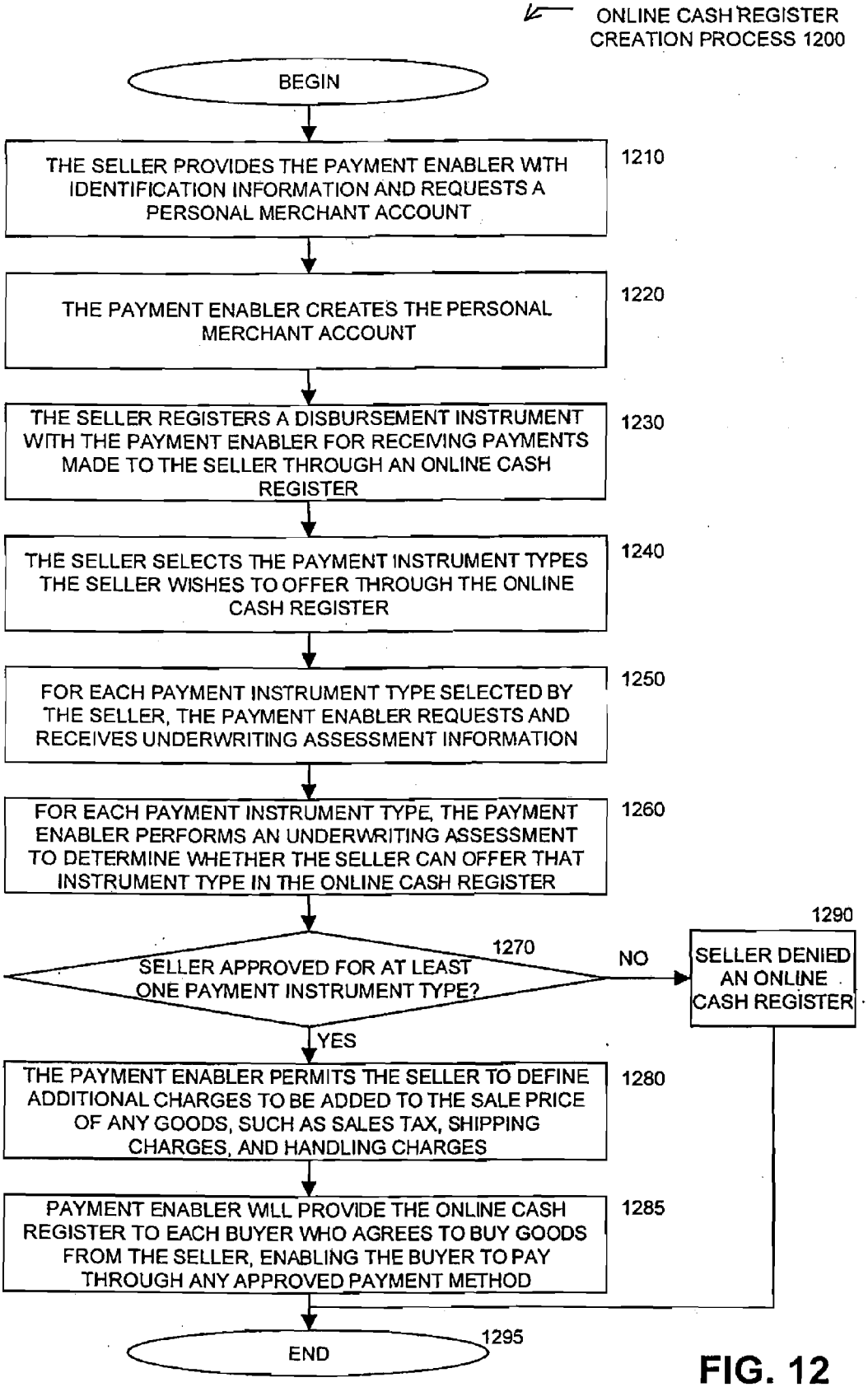

ONLINE CASH REGISTER CREATION PROCESS 1200
BEGIN
THE SELLER PROVIDES THE PAYMENT ENABLER WITH IDENTIFICATION INFORMATION AND REQUESTS A PERSONAL MERCHANT ACCOUNT
1210
THE PAYMENT ENABLER CREATES THE PERSONAL MERCHANT ACCOUNT
1220
THE SELLER REGISTERS A DISBURSEMENT INSTRUMENT WITH THE PAYMENT ENABLER FOR RECEIVING PAYMENTS MADE TO THE SELLER THROUGH AN ONLINE CASH REGISTER
1230
THE SELLER SELECTS THE PAYMENT INSTRUMENT TYPES THE SELLER WISHES TO OFFER THROUGH THE ONLINE CASH REGISTER
1240
FOR EACH PAYMENT INSTRUMENT TYPE SELECTED BY THE SELLER, THE PAYMENT ENABLER REQUESTS AND RECEIVES UNDERWRITING ASSESSMENT INFORMATION
1250
FOR EACH PAYMENT INSTRUMENT TYPE, THE PAYMENT ENABLER PERFORMS AN UNDERWRITING ASSESSMENT TO DETERMINE WHETHER THE SELLER CAN OFFER THAT INSTRUMENT TYPE IN THE ONLINE CASH REGISTER
1260
SELLER APPROVED FOR AT LEAST ONE PAYMENT INSTRUMENT TYPE?
1270
NO
1290
SELLER DENIED AN ONLINE CASH REGISTER
YES
THE PAYMENT ENABLER PERMITS THE SELLER TO DEFINE ADDITIONAL CHARGES TO BE ADDED TO THE SALE PRICE OF ANY GOODS, SUCH AS SALES TAX, SHIPPING CHARGES, AND HANDLING CHARGES
1280
PAYMENT ENABLER WILL PROVIDE THE ONLINE CASH REGISTER TO EACH BUYER WHO AGREES TO BUY GOODS FROM THE SELLER, ENABLING THE BUYER TO PAY THROUGH ANY APPROVED PAYMENT METHOD
1285
END
1295

FIG. 12

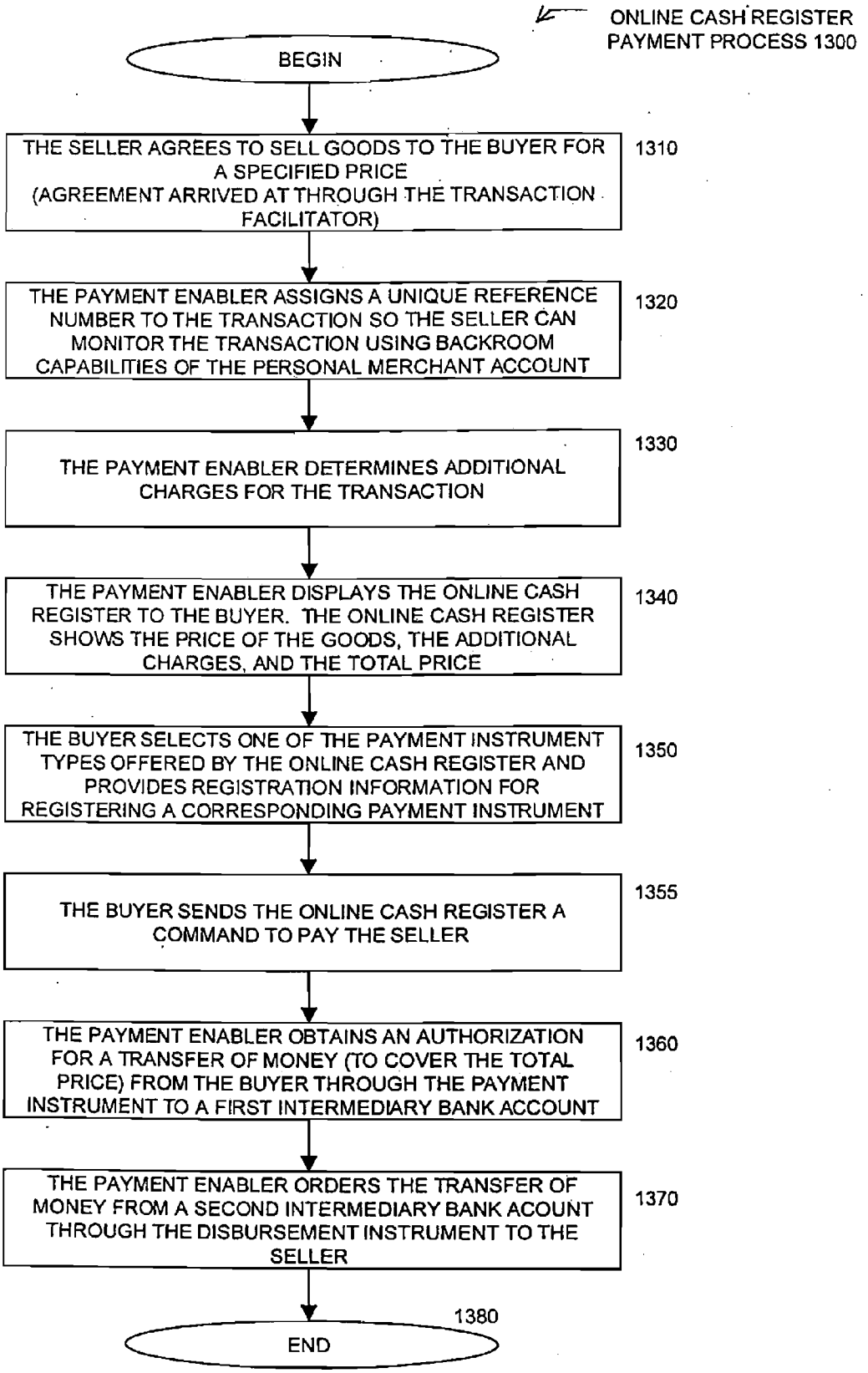

ONLINE CASH REGISTER PAYMENT PROCESS 1300
BEGIN
THE SELLER AGREES TO SELL GOODS TO THE BUYER FOR A SPECIFIED PRICE (AGREEMENT ARRIVED AT THROUGH THE TRANSACTION FACILITATOR)
1310
THE PAYMENT ENABLER ASSIGNS A UNIQUE REFERENCE NUMBER TO THE TRANSACTION SO THE SELLER CAN MONITOR THE TRANSACTION USING BACKROOM CAPABILITIES OF THE PERSONAL MERCHANT ACCOUNT
1320
THE PAYMENT ENABLER DETERMINES ADDITIONAL CHARGES FOR THE TRANSACTION
1330
THE PAYMENT ENABLER DISPLAYS THE ONLINE CASH REGISTER TO THE BUYER. THE ONLINE CASH REGISTER SHOWS THE PRICE OF THE GOODS, THE ADDITIONAL CHARGES, AND THE TOTAL PRICE
1340
THE BUYER SELECTS ONE OF THE PAYMENT INSTRUMENT TYPES OFFERED BY THE ONLINE CASH REGISTER AND PROVIDES REGISTRATION INFORMATION FOR REGISTERING A CORRESPONDING PAYMENT INSTRUMENT
1350
THE BUYER SENDS THE ONLINE CASH REGISTER A COMMAND TO PAY THE SELLER
1355
THE PAYMENT ENABLER OBTAINS AN AUTHORIZATION FOR A TRANSFER OF MONEY (TO COVER THE TOTAL PRICE) FROM THE BUYER THROUGH THE PAYMENT INSTRUMENT TO A FIRST INTERMEDIARY BANK ACCOUNT
1360
THE PAYMENT ENABLER ORDERS THE TRANSFER OF MONEY FROM A SECOND INTERMEDIARY BANK ACOUNT THROUGH THE DISBURSEMENT INSTRUMENT TO THE SELLER
1370
1380
END

FIG. 13

METHOD AND SYSTEM FOR FACILITATING FINANCIAL TRANSACTIONS OVER THE INTERNET USING REGISTERED FINANCIAL INSTRUMENTS

FIELD OF THE INVENTION

[0001] The invention relates generally to computer-implemented financial transactions, and more particularly, relates to completing a transaction between two individual consumers by transferring money from one consumer to the other according to transaction instructions received online from the consumers.

BACKGROUND OF THE INVENTION

[0002] The Internet has become a popular place to conduct business. Through Web auction sites, Web sites for displaying classified ads, Web shopping malls, online chat rooms, and other online transaction facilitation sites, two consumers may agree to a transaction. Frequently, such transactions involve the exchange of goods or services for money. While consumers frequently find that agreeing to transactions on the Internet is easy, completing a payment to consummate the transaction is more difficult.

[0003] Typically, two consumers who have agreed through the Internet to exchange goods for money resort to offline methods to perform the exchange. For example, the seller may ship the goods to the buyer through a shipping service, and the buyer may send a paper check to the seller.

[0004] Such offline methods of exchange are problematic. Because the buyer and the seller are usually strangers, they may not trust each other to perform their mutual obligations under the agreement. Accordingly, they may be unable to agree whether the buyer will send the check first or the seller will send the goods first. Even if the buyer and the seller agree that the seller will ship the goods at the same time as the buyer sends the check, the seller has no guarantee that the check will not bounce. Likewise, the buyer has no guarantee that the goods will arrive in satisfactory condition. Accordingly, a significant percentage of transactions to which an individual buyer and seller have agreed upon over the Internet are never consummated.

[0005] Another inconvenience of transactions agreed upon by individuals over the Internet is that the buyer is often limited to paying by cash or paper check. More convenient payment instruments exist, such as credit cards and bank account debits through electronic fund transactions. However, the buyer typically does not have the option to use these other payment instruments when the seller is an individual as opposed to a retail business that has been pre-established as an online merchant.

[0006] The term "merchant" is used herein to refer to a seller of goods or services who is authorized by a credit card association (such as DISCOVER, VISA, or MASTERCARD) to submit to the credit card association charges on credit cards belonging to members of the credit card association. After receiving an authorization for the charge, the merchant then receives from the credit card association a direct deposit into the merchant's bank account of the amount of the charge. As known to those skilled in the art, a business must undergo an approval process in order to become a merchant, and upon approval, the merchant is assigned a merchant number.

[0007] Although retail businesses are routinely set up as merchants in order to accept payments through credit cards or electronic fund transactions, this is not an adequate solution to facilitating payments between individuals over the Internet. For example, merchants, after undergoing an extensive underwriting effort, are typically given special privileges, such as a general authorization to charge credit cards. This general authorization provides the merchant with the ability to commit fraud. Specifically, the merchant is capable of charging a customer's credit card more than he should. Also, the merchant may submit charges on a credit card belonging to a credit card association member with which the merchant has never had any contact. For these reasons, the idea of allowing individual sellers to become merchants has heretofore been rejected.

[0008] Another problem with an individual seller becoming a merchant is that the approval process for becoming a merchant is frequently more of a hassle than an occasional seller is willing to undergo. The purpose of the approval process is to reduce the risk of fraud by the merchant. Accordingly, the seller usually must submit extensive background information for consideration in the approval process. This may be inconvenient and time consuming for the seller.

[0009] Therefore, there is a need in the art for a safe and convenient method by which one consumer can pay a second consumer over the Internet.

SUMMARY OF THE INVENTION

[0010] The present invention meets the needs described above in a computer-implemented service that enables two individual consumers to complete a transaction that includes payment from one consumer (the payor, or buyer) to another consumer (the payee, or seller). An intermediary typically operates the service over a computer network of nodes, such as the Internet. The buyer has the convenience of paying through a variety of different payment instruments. Likewise, the seller has the convenience of receiving payment through a variety of different disbursement instruments.

[0011] For a fee, the intermediary collects the payment from the buyer and pays the seller. One advantage of a consumer-to-consumer payment process operated by an intermediary is that the risk of fraud by the seller is reduced because the buyer need not provide information about his payment instrument to the seller. Rather, the intermediary maintains information about the buyer's payment instrument in secret. Similarly, the intermediary need not provide the seller with a general authorization to charge a payment instrument, such as a credit card.

[0012] Because the intermediary collects payment from the buyer, the consumer-to-consumer payment process of the present invention also provides the advantage of not requiring the seller to register as a merchant. Rather, the seller simply registers a disbursement instrument for receiving payment from the intermediary. This disbursement instrument registration process may be simpler and more convenient than the process a retail business typically undergoes to register as a merchant.

[0013] Although the intermediary may receive payment from the buyer before the intermediary transfers the payment to the seller, the intermediary may choose to pay the

seller before receiving payment from the buyer. In this case, the intermediary assumes the risk of nonpayment by the buyer.

[0014] Alternatively, the intermediary may pay a third party that specializes in processing transactions for the payment instrument chosen by the buyer to assume the risk of nonpayment by the buyer. In this case, the intermediary receives a promise of payment from the third party before the intermediary pays the seller. Such a promise of payment from the third party is referred to as an authorization.

[0015] Generally described, the present invention comprises a method for providing a consumer-to-consumer payment service. A payment enabler, which can be a node of a computer network, receives registration of a payment instrument from a payor located at a first remote computer. The payment enabler also receives registration of a disbursement instrument from a payee located at a second remote computer.

[0016] Then, the payment enabler receives a command from the payor to pay the payee an amount of money that the payor owes the payee. The command may be the submission of the payor's registration for the payment instrument.

[0017] In response to the command to pay the payee, the payment enabler obtains an authorization for a transfer of the amount of money from the payor through the payment instrument to a first intermediary bank account. The amount of money may actually be deposited in the first intermediary bank account at a later time. After obtaining the authorization, the payment enabler may order the transfer of the amount of money from a second intermediary bank, which may be the same account as the first intermediary bank account, through the disbursement instrument to the payee. This payment to the payee may occur after authorization, but before the payment from the payor has been deposited in the first intermediary bank account. Alternatively, the payment to the payee may occur after the payment from the payor has been deposited in the first intermediary bank account.

[0018] The various aspects of the present invention may be more clearly understood and appreciated from a review of the following detailed description of the disclosed embodiments and by reference to the appended drawings and claims.

BRIEF DESCRIPTION OF THE DRAWINGS

[0019] FIG. **1**A is a block diagram illustrating a typical scenario in which a consumer-to-consumer payment process would be beneficial.

[0020] FIG. **1**B is a block diagram illustrating the transfer of money in a consumer-to-consumer payment process in accordance with an exemplary embodiment of the present invention.

[0021] FIG. **2** is a block diagram illustrating a computer network architecture for enabling consumer-to-consumer payments in accordance with an exemplary embodiment of the present invention.

[0022] FIG. **3** is a flow chart illustrating the steps of a consumer-to-consumer process in accordance with an exemplary embodiment of the present invention.

[0023] FIG. **4**A is a flow chart illustrating a procedure for registration of a flash cash deposit as a payment instrument in accordance with an exemplary embodiment of the present invention.

[0024] FIG. **4**B is a flow chart illustrating a procedure for registration of credit card as a payment instrument in accordance with an exemplary embodiment of the present invention.

[0025] FIG. **4**C is a flow chart illustrating a procedure for registration of bank account as a payment instrument via electronic fund transactions in accordance with an exemplary embodiment of the present invention.

[0026] FIG. **4**D is a flow chart illustrating a procedure for registration of virtual private payment account as a payment instrument in accordance with an exemplary embodiment of the present invention.

[0027] FIG. **4**E is a flow chart illustrating a procedure for registration of a paper check as a payment instrument in accordance with an exemplary embodiment of the present invention.

[0028] FIG. **5**A is a flow chart illustrating a procedure for registration of bank account as a disbursement instrument via electronic fund transactions in accordance with an exemplary embodiment of the present invention.

[0029] FIG. **5**B is a flow chart illustrating a procedure for registration of a virtual private payment account as a disbursement instrument in accordance with an exemplary embodiment of the present invention.

[0030] FIG. **5**C is a flow chart illustrating a procedure for registration of a paper check as a disbursement instrument in accordance with an exemplary embodiment of the present invention.

[0031] FIG. **6** is a flow chart illustrating steps the payment enabler can follow to complete the transaction between the buyer and the seller in accordance with an exemplary embodiment of the present invention.

[0032] FIG. **7** is a flow chart illustrating steps the payment enabler can follow to verify delivery of acceptable goods to the buyer in accordance with an exemplary embodiment of the present invention.

[0033] FIG. **8** is a flow chart illustrating steps for refunding money to the buyer in accordance with an exemplary embodiment of the present invention.

[0034] FIG. **9** is a flow chart illustrating the steps of an auction process that includes static registration of the buyer and the seller with the payment enabler in accordance with an exemplary embodiment of the present invention.

[0035] FIG. **10** is a flow chart illustrating the steps of an auction process that includes dynamic registration of the buyer with the payment enabler in accordance with an exemplary embodiment of the present invention.

[0036] FIG. **11** is a flow chart illustrating the steps of an auction process that includes dynamic registration of the seller with the payment enabler in accordance with an exemplary embodiment of the present invention.

[0037] FIG. **12** is a flow chart illustrating the steps of an online cash register creation process in accordance with an exemplary embodiment of the present invention.

[0038] FIG. **13** is a flow chart illustrating the steps of an online cash register payment process in accordance with an exemplary embodiment of the present invention.

DETAILED DESCRIPTION OF EXEMPLARY EMBODIMENTS

[0039] The present invention is typically embodied in a computer-implemented service that enables two individual consumers to complete a transaction that includes payment from one consumer (the payor, or buyer) to another consumer (the payee, or seller). An intermediary typically operates the service over a computer network of nodes, such as the Internet. The payor has the convenience of paying through a variety of different payment instruments. Likewise, the payee has the convenience of receiving payment through a variety of different disbursement instruments.

[0040] Optionally, the intermediary may hold the payment from the payor in escrow until some predetermined condition is fulfilled. Once that predetermined condition is fulfilled, the intermediary pays the payee. If, for example, the transaction between the buyer and seller is for the sale of goods, the intermediary may hold the payment in escrow until the seller has delivered acceptable goods to the buyer. While holding the money in trust during the escrow process, the intermediary may store the money in a bank account.

[0041] To fully appreciate the present invention, one must understand the difference between a merchant and a consumer. The term "merchant" is used herein to refer to a seller of goods or services who is authorized by a credit card association (such as DISCOVER, VISA, or MASTERCARD) to submit to the credit card association charges on credit cards belonging to members of the credit card association. After receiving an authorization for the charge, the merchant then receives from the credit card association a direct deposit into the merchant's bank account of the amount of the charge. As known to those skilled in the art, the merchant's bank account must be pre-approved, and upon approval, the merchant is assigned a merchant number.

[0042] A consumer, on the other hand, is defined as an individual who has not been registered as a merchant. The computer network of the present invention facilitates payments from a payor to a payee without requiring either consumer to be registered as a merchant. With the help of the figures, in which like numerals refer to like elements throughout the several figures, the detailed description now explains how the computer network accomplishes this.

[0043] Overview of the Consumer-to-Consumer Payment Process

[0044] FIG. **1**A illustrates a typical scenario **100**A in which a consumer-to-consumer payment process would be beneficial. The scenario **100**A depicts a payee (or seller) **130** and a payor (or buyer) **110**. The seller **130** and the buyer **110** have concluded an agreement over the Internet **160**. Per this agreement, the seller **130** has promised to ship goods **150** to the buyer **110**. In return, the buyer **110** has promised to pay the seller **130** an amount of money (also called a payment) **140**. The consumer-to-consumer payment process of the present invention provides a convenient solution for enabling the buyer **110** and the seller **130** to consummate the transaction to which they have agreed.

[0045] FIG. **1**B provides an illustration **100**B of the transfer of money in the consumer-to-consumer payment process. FIG. **1**B shows the payor (or buyer) **110** and the payee (or seller) **130**. An intermediary **120** facilitates the transfer of money **140** from the buyer **110** to the seller **130**. The intermediary **120** is typically a business that operates the consumer-to-consumer payment service.

[0046] Generally, the responsibilities of the intermediary **120** include collecting the payment **140** from the buyer **110** and paying the seller **130**. For performing this service, the intermediary **120** typically charges a fee. The intermediary may collect this fee by paying the seller an amount equal to the buyer's payment to the intermediary minus the fee.

[0047] Although the intermediary **120** may receive payment **140** from the buyer **110** before the intermediary transfers the payment **140** to the seller **130**, the intermediary may choose to pay the seller before receiving payment from the buyer. In this case, the intermediary **120** assumes the risk of nonpayment by the buyer **110**. If the intermediary **120** has assumed the risk of nonpayment by the buyer **110** and the buyer does not pay in a timely manner, the intermediary may use the fees collected by offering the consumer to consumer payment service to either cover the loss or pursue collection from the buyer.

[0048] Instead of assuming the risk of nonpayment in order to pay the seller **130** before receiving payment **140** from the buyer **110**, the intermediary **120** may pay a third party (not shown) that specializes in processing transactions for the payment instrument chosen by the buyer **110** to assume the risk of nonpayment by the buyer. In this case, the intermediary **120** chooses the third party processor for the third party's dependability in financial transactions, and the intermediary receives a promise of payment from the third party before the intermediary pays the seller **130**. Such a promise of payment from the third party is referred to as an "authorization."

[0049] In the consumer to consumer payment process, the intermediary **120** preferably permits the buyer **110** to pay the intermediary through any one of a variety of different financial instruments. As shown in FIG. **1**B, these financial instruments, called payment instruments, may include flash cash, a credit card, a bank account (which is debited through an electronic fund transaction), a virtual private payment account (which is debited through an electronic transaction), or a physical check.

[0050] Preferably, the intermediary **120** permits the seller **130** to receive payment **140** from the intermediary through any one of a variety of financial instruments. As shown in FIG. **1**B, these financial instruments, called disbursement instruments, may include a bank account (which is credited through an electronic fund transaction), a virtual private payment account (which is credited through an electronic transaction), or a physical check. Some financial instruments can be both payment instruments and disbursement instruments.

[0051] Credit cards, electronic fund transactions for bank accounts, and the handling of physical checks are well known to those skilled in the art. However, flash cash and virtual payment accounts are not familiar to typical readers. Accordingly, a general description of these two financial instruments is now provided.

[0052] Flash cash is a payment instrument that enables a payor to execute payment orders over the Internet based on a prearranged cash deposit. To create the flash cash payment instrument, a payor first communicates over the Internet with a flash cash processor in order to prearrange the cash

deposit. The payor then physically visits a location registered with the flash cash processor. At the registered location, the payor deposits cash. At a later time, the payor can instruct the flash cash processor over the Internet to pay the deposited amount (or a lesser amount) to a payee. The payee's bank account is then automatically credited in an electronic fund transaction.

[0053] There are many embodiments of a virtual private payment account. Each embodiment differs in the functionality provided by the virtual private payment account. Typically, a virtual private payment account is offered through an online retailer or an Internet service provider (ISP). The owner of the virtual private payment account may buy items, typically through online transactions, and charge them to the virtual private payment account. Because only entities closely associated with the entity offering the virtual private payment account will accept payment from the account, the entity accepting payment from the virtual private payment account is typically not charged a processing fee. In essence, the virtual private payment account is like a private label credit card, but no plastic card is issued to the owner of the account.

[0054] When a virtual private payment account owner makes a purchase and charges the purchase to the account, the charge may be covered by a positive balance in the account. The virtual private payment account may also be associated with a line of credit, and purchases charged to the virtual private payment account which result in a negative balance may be billed to the account owner in periodic statements.

[0055] Various options for permitting the creation of positive balances in virtual private payment accounts may exist at the discretion of the entity offering the account. For example, the entity offering the virtual private payment account may permit a cash deposit to create a positive virtual private payment account balance. Also, the entity offering the account may permit associated retailers to credit a virtual private payment account, possibly for promotional purposes.

[0056] Optionally, the entity offering the virtual private payment account may allow the account owner to receive monetary disbursements equivalent to the positive account balance. In another embodiment, the entity offering the virtual private payment account may allow the account owner to receive monetary disbursements only for positive account balances created through refunds or cash deposits, but not for positive account balances created by a retailer for promotional purposes.

[0057] Computer Network for Enabling Consumer-to-Consumer Payments

[0058] FIG. **2** is a block diagram illustrating an exemplary computer network architecture **200** for providing the consumer to consumer payment service. Each one of the various nodes **210**, **220**, **230**, **240**, **250**, **270**, **275**, **280**, **285**, and **290** performs functions in the consumer to consumer payment process that are different than the functions the other computer nodes perform.

[0059] Each node of the network **200** may have typical features of a computer system, such as a processing unit, a system memory containing random access memory (RAM) and read only memory (ROM), and a system bus that couples the system memory to the processing unit. The computer may also include various memory storage devices, such as a hard disk drive, a magnetic disk drive (e.g., to read from or write to a removable magnetic disk), and an optical disk drive (e.g., to read from or write to optical media such as a CD-ROM).

[0060] A number of program modules may be stored in the drives and RAM of the computer system. Program modules control how the computer system functions and interacts with the user, with input/output devices, or with other computers. Program modules include routines, an operating system, application program modules, data structures, browsers, and other software or firmware components. The invention may conveniently be implemented in various program modules that are stored on the computers of the network **200** and implement the methods described in the detailed description.

[0061] No particular programming language will be described for carrying out the various procedures described in the detailed description because it is considered that the operations, steps, and procedures described and illustrated in the accompanying drawings are sufficiently disclosed to permit one of ordinary skill in the art to practice an exemplary embodiment of the present invention. Moreover, there are many computers and operating systems which may be used in practicing an exemplary embodiment, and therefore no detailed computer program could be provided which would be applicable to all of these many different systems. Each user of a particular computer will be aware of the language and tools which are most useful for that user's needs and purposes.

[0062] Likewise, various computer nodes of the network **200** require one or more databases for storing information pertinent to that computer's role in consumer to consumer payment process. In the detailed description, these databases are frequently described with respect to their functionality or the types of information they store. One skilled in the art should recognize that a variety of different databases and a variety of different record structures for storing information in those databases are available for providing the described functionality or storing the described information. Accordingly, details of such database implementations need not be described. Where details of a database implementation are described, the detailed description provides them by way of example, not by way of limitation.

[0063] In FIG. **2**, the lines connecting the various nodes of the computer network **200** illustrate network communication connections. For example, these connections may be Internet connections. Instead, a given connection between two computers of the network **200** may be a dedicated connection intended to provide a high speed, special purpose communications link between the two computers. When a first computer node is described as remote to a second computer node, the first computer node and the second computer node are linked by a network communication connection.

[0064] One skilled in the art will appreciate that the network practicing an embodiment of the present invention may take various forms. Accordingly, one may use other types of networks and combinations of network connections in a given embodiment of the present invention.

[0065] Still referring to FIG. **2**, the detailed description will describe the functionality of the various computer nodes

of the computer network **200**. The buyer **110** communicates with the computer network **200** through the buyer computer **220**. Likewise, the seller **130** communicates with the computer network **200** through the seller computer **210**. Preferably, the buyer computer **220** and the seller computer **210** are connected to the computer network **200** through Internet connections. Using HyperText Transfer Protocol (HTTP), computer nodes **230** and **240** may communicate with the buyer **110** and the seller **130** through Web pages. To use these Web pages, the buyer computer **220** and seller computer **210** typically run an appropriate Web browser.

[**0066**] The described Web pages provide information to the buyer **110** and the seller **130** about the consumer to consumer payment service. Furthermore, these Web pages provide a convenient graphical user interface for receiving information from the buyer **110** and the seller **130**. For example, forms, which are well known to those skilled in the art of Web design, provide an easy and efficient mechanism for soliciting and receiving information from the buyer **110** and the seller **130** through Web pages. However, other communication protocols and other graphical user interfaces are known to those skilled in the art, and therefore these communication alternatives may be used for implementing the present invention.

[**0067**] The transaction facilitator **230** may be a Web site that allows two people to define a desired transaction. Usually, the transaction facilitator **230** also serves to introduce the payor **110** and the payee **130**. When the transaction is for the sale of goods, the payor **110** is referred to as a buyer, and the payee **130** is referred to as a seller.

[**0068**] A typical transaction facilitator **230** is an Internet auction site, such as EBAY and YAHOO! AUCTION. Generally, such auction sites **230** allow a seller **130** to post an item for sale to potential bidders. Bidders then place bids on the posted items, and the high bidder wins the auction, thereby becoming the buyer **110**.

[**0069**] Similarly, the transaction facilitator **230** may be an Internet classifieds site, which allows a seller **130** to post an item for sale at a specified price. The classifieds site **230** then forwards to the seller **130** all offers from potential buyers to buy the item at the specified price. The seller **130** can then accept one of the offers to create a transaction. If implemented by the Internet classifieds site **230**, a potential buyer may have the opportunity to negotiate the sale price of the item with the seller **130**.

[**0070**] Often, a transaction facilitator **230** requires users of the service offered by the transaction facilitator to register with the transaction facilitator. Typically, a user registers to use the transaction facilitator **230** by providing basic identification information, such as name, e-mail, and password. The transaction facilitator **230** may assign the person a unique user ID for keeping track of information pertaining to the user. The transaction facilitator **230** may use the user ID as a key to a database record storing the information identifying the user and his transactions. To log into the transaction facilitator **230**, the user may need to provide the user ID and the appropriate password.

[**0071**] Preferably, the transaction facilitator **230** also has a mechanism for storing information about specific transactions and the buyer **110** and the seller **130** in those transactions. This may be done through a database of transaction records, each identified by a unique transaction ID and having fields for storing the buyer user ID, the seller user ID, the transaction amount, and the item.

[**0072**] After the transaction facilitator **230** determines that the buyer **220** and the seller **210** have agreed upon a transaction, the transaction facilitator refers the transaction to the consumer to consumer payment enabler **240** to administer the consumer to consumer payment service. Typically, the intermediary **120** runs the payment enabler **240**. The payment enabler **240** may offer an application programming interface providing transaction facilitators, such as the transaction facilitator **230**, with a convenient and standardized means to communicate with the payment enabler.

[**0073**] When referring a transaction to the payment enabler **240**, the transaction facilitator **230** may automatically pass information about the buyer **110**, the seller **130**, and their underlying transaction to the payment enabler. The payment enabler **240** then uses this information to administer the consumer to consumer payment process, thereby facilitating payment from the buyer **110** to the seller **130**. By automatically passing transaction information from the transaction facilitator **230** to the payment enabler **240**, the consumer to consumer payment service eliminates the need for the buyer **110** and the seller **130** to provide duplicate information to the payment enabler **240** that the buyer and seller already provided to the transaction facilitator when defining their transaction.

[**0074**] Preferably, the transaction facilitator **230** and the payment enabler **240** cooperate to implement the consumer to consumer payment service in a manner that prevents the buyer **110** and the seller **130** from realizing that the transaction facilitation service provided by the transaction facilitator and the consumer to consumer payment service provided by the payment enabler are administered by two different computer nodes, possibly run by two different entities. For example, the transaction facilitator **230** preferably passes the transaction information to the payment enabler **240** without knowledge of the buyer **110** or the seller **130**.

[**0075**] When communicating with the buyer **110** and the seller **130** to administer the consumer to consumer payment process, the payment enabler **240** preferably employs Web pages that are branded identically to the Web pages that the transaction facilitator **230** uses when communicating with the buyer and the seller. In other words, all Web pages provided to the buyer **110** and the seller **130** by the transaction facilitator **230** and the payment enabler **240** preferably bear the same trademarks. Alternatively, these Web pages can be co-branded with the trademarks of both the entity running the transaction facilitator **230** and the entity running the payment enabler **240**.

[**0076**] Preferably, the payment enabler **240** delegates the responsibility for processing transactions for each type of financial instrument to a different computer node of the network. Specifically, the flash cash processor **285** processes flash cash payments from the buyer **110**, the credit card transaction processor **290** processes credit card payments from the buyer **110**, the electronic fund transaction processor **270** processes credits to and debits from bank accounts through electronic fund transactions, the virtual private payment account processor **275** processes credits to and

debits from virtual private payment accounts, and the check processor **280** processes paper check payments from the buyer **110** and paper check disbursements to the seller **130**. Each of the computer nodes **270**, **275**, **280**, **285**, and **290**, in turn, may interact with other computer nodes (not shown) of the network **200** in order to process a payment from the buyer **110** or a disbursement to the seller **130**.

[**0077**] The computer nodes for processing disbursement instruments are called disbursement instrument processors **260**. The computer nodes for processing payment instruments are called payment instrument processors **265**. All the disbursement instrument processors **260** of the exemplary embodiment of FIG. **2** are also payment instrument processors **265**.

[**0078**] Preferably, each of the payment instrument processors **265** are managed by third parties willing to grant authorizations based on transaction requests from the payment enabler **240** for specific dollar amounts. The payment instrument processors **265** may handle authorization requests from the payment enabler **240** in an automated manner. When a payment instrument processor **265** grants an authorization for a specific dollar amount for a specified payment instrument, the managing third party thereby promises payment to the intermediary **120** and assumes the risk of nonpayment by the buyer **110**.

[**0079**] To use the consumer to consumer payment process, the payment enabler **240** typically requires the buyer **110** to register a payment instrument and the seller **130** to register a disbursement instrument. At a minimum, registration of a financial instrument involves the payment enabler **240** receiving from the buyer **110** or the seller **130** basic identification information about the financial instrument necessary to make transaction requests for that instrument to the instrument processor **270**, **275**, **280**, **285**, or **290**. Typically, the payment enabler **240** provides the identification information received from the consumer to the appropriate processor **270**, **275**, **280**, **285**, or **290** in order to verify that the financial instrument exists.

[**0080**] If the consumer is attempting to register a payment instrument, the appropriate payment instrument processor **265** may also perform additional background checks on the payment instrument to determine if the payment instrument processor will accept later authorization requests for that payment instrument. Such a background check may, for example, include verifying that the buyer **110** has completed the flash cash deposit, the buyer has completed the check deposit, the buyer has not fraudulently provided the credit card, the buyer does not have a history of overdrawing the bank account provided, or the virtual private payment account processor has a relationship with the entity offering the virtual private payment account. These preliminary background checks are intended to be different than authorization requests, which are later requests from the payment enabler **240** for a transaction on a financial instrument for a specific dollar amount at a specific point in time. The payment instrument processors **265** need not base these preliminary background checks on a consideration of specific amounts. Rather, the payment instrument processors **265** may base these preliminary background checks on whether the payment instrument the buyer **110** is attempting to register is in good standing.

[**0081**] Preferably, the payment enabler **240** permits a given consumer to register both as a buyer **110** and as a seller **130**. This allows the consumer to use the consumer to consumer payment service for multiple transactions, in some of which the consumer is a buyer **110** and in some of which the consumer is a seller **130**. Furthermore, the payment enabler **240** may permit the consumer to register multiple payment instruments and multiple disbursement instruments. If the payment enabler **240** allows registration of multiple financial instruments, the payment enabler **240** may permit the consumer to identify a preferred payment instrument and a preferred disbursement instrument. Typically, the consumer can change the preferred financial instrument at any time before confirming the consumer's desire to proceed with a given transaction.

[**0082**] After the buyer **110** and the seller **130** have registered a financial instrument, the payment enabler obtains confirmation from both the buyer and the seller that they wish to proceed with the transaction. The payment enabler **240** also requires the buyer **110** to specify the payment instrument and the seller **130** to specify the disbursement instrument to be used. The payment enabler **240** then obtains authorization for payment **140** from the buyer **110** from the appropriate payment instrument processor **265**, and the intermediary **120** receives payment from that payment instrument processor in due course.

[**0083**] After receiving authorization for payment **140**, the payment enabler **240** notifies the appropriate disbursement instrument processor **260** to pay the seller **130** through the disbursement instrument chosen by the seller. The disbursement instrument processor **260** typically does this by drawing on funds in a bank account of the intermediary **120**.

[**0084**] In one embodiment, the payment enabler **240** does not pay the seller **130** until the seller has delivered acceptable goods to the buyer **110** through an authorized shipping service. To monitor the status of a pending shipment, the payment enabler **240** may interface with a shipping service tracking database **250**.

[**0085**] The shipping service tracking database **250** is maintained by the shipping service the seller **130** uses to ship the goods. When a parcel is sent through an authorized shipping service, the shipping service assigns the parcel a tracking number. For each parcel sent using the shipping service, the shipping service tracking database **250** stores the corresponding tracking number and delivery status. The shipping service tracking database **250** is functional for receiving a tracking number and replying with the status of the parcel corresponding to that tracking number.

[**0086**] The payment enabler **240** (or the transaction facilitator **230**) may also provide a Web page enabling both the buyer **110** and the seller **130** to request the status of the parcel used to ship the goods. Once such a request has been received, the payment enabler **240** uses the tracking number to query the shipping service tracking database **250** for the status of the delivery. The payment enabler **240**, in turn, relays the status of the delivery to the buyer **110** or the seller **130** through a Web page.

[**0087**] One procedure for tracking the shipment of goods requires the seller **130** to notify the payment enabler **240** of the tracking number received from the shipping service. After the payment enabler **240** receives authorization for payment **140**, the payment enabler notifies the seller **130** to ship the goods to the buyer **110**. The seller **130** then ships the

goods to the buyer **110** through an authorized shipping service and obtains a tracking number. The payment enabler **240** requires the seller **130** to enter this tracking number into the payment enabler. Using this tracking number, the payment enabler **240** can query the shipping service tracking database **250** to determine the delivery status of the goods.

[**0088**] Alternatively, the payment enabler **240** may automatically provide the seller **130** with a tracking number to be used for shipping the goods. Upon receiving authorization for the payment **140**, the payment enabler **240** may query the shipping service tracking database **250** to obtain a valid tracking number. Through a Web page, the payment enabler **240** then notifies the seller **130** to ship the goods to the buyer **110** using the authorized shipping service and this predetermined tracking number. Then, the seller **130** delivers the goods to the shipping service along with the predetermined tracking number provided by the payment enabler **240**. The shipping service, in turn, ships the goods using a parcel identified by the predetermined tracking number and appropriately maintains the shipping service tracking database **250**. Because the payment enabler **240** provided the tracking number to the seller **130**, the payment enabler knows the tracking number and can query the shipping service tracking database **250** for the delivery status of the goods.

[**0089**] Once the payment enabler **240** determines that the goods have been delivered to the buyer **110**, the payment enabler may further determine if the goods are acceptable to the buyer **110** before paying the seller **130**. The payment enabler **240** may make this determination by providing the buyer **110** a predetermined amount of time, measured from the date of delivery indicated by the shipping service tracking database **250**, to notify the payment enabler of rejection of the goods. If the buyer **110** notifies the payment enabler **240** that acceptable goods have been delivered or the buyer does not reject the goods within a predetermined time after the shipping service tracking database **250** indicates that the goods have been delivered, the payment enabler **240** notifies the appropriate disbursement instrument processor **260** to pay the seller **130'** through the disbursement instrument chosen by the seller.

[**0090**] One skilled in the art will appreciate that the present invention is not limited to the computer network architecture **200** of FIG. **2**. Specifically, the functions described for the various computer nodes of FIG. **2** could be distributed differently. For instance, the functions of the payment enabler **240** and the transaction facilitator **230** could be combined into a single computer node. Similarly, the payment enabler **240** could incorporate the functions of any of the payment instrument processors **265** or disbursement instrument processors **260**. Although each of computer nodes **270**, **275**, and **280** perform both payment functions and disbursement functions for a given type of financial instrument, two different computer nodes could perform the payment functions and the disbursement functions for a given type of financial instrument. Furthermore, an existing merchant credit card processing system could be modified to incorporate functions of the payment enabler **240** and the credit card transaction processor **290**, thereby enabling consumer to consumer payments through credit cards.

[**0091**] Flow Charts for the Consumer-to-Consumer Payment Process

[**0092**] FIG. **3** shows the steps of an exemplary consumer-to-consumer payment process **300**. The process **300** begins with step **310**, in which interaction between the buyer **110** and the seller **130** through the transaction facilitator **230** results in an agreed upon transaction for the sale of goods. The transaction facilitator **230** may, for example, be an online auction site, an online classifieds site, or any site which allows the seller **130** to sell goods to the buyer **110** without requiring that the seller **130** be registered as a merchant. Preferably, the transaction facilitator **230** automatically passes the transaction details to the payment enabler **240**.

[**0093**] In step **320**, the buyer **110** registers at least one payment instrument with the payment enabler **240**. FIGS. **4**A, **4**B, **4**C, **4**D, and **4**E describe the registration process for the various payment instruments available to the buyer **110**.

[**0094**] In step **330**, the seller **130** registers at least one disbursement instrument with the payment enabler **240**. FIGS. **5**A, **5**B, and **5**C describe the registration process for the various disbursement instruments available to the seller **130**.

[**0095**] In step **340**, the seller **130** selects a disbursement instrument that the seller has previously registered. The seller **130** then instructs the payment enabler **240** to disburse money due from the buyer **110** through the selected instrument.

[**0096**] In step **350**, the buyer **110** selects a payment instrument that the buyer **110** has previously registered. The buyer **110** then instructs the payment enabler **240** to pay the seller **130** using the selected instrument.

[**0097**] In step **360**, the payment enabler **240** ensures completion of the transaction between the buyer **110** and the seller **130**. The process **300** then ends in step **370**.

[**0098**] FIG. **4**A is a logical flow diagram illustrating the steps in an exemplary process for the registration of a flash cash deposit as a payment instrument. The buyer **110** may follow this routine in step **320** of FIG. **3**.

[**0099**] The routine begins at step **410**A, in which the payment enabler **240** presents the buyer **110** with a graphical user interface enabling the buyer **110** to enter a deposit amount and information identifying the buyer. In step **420**A, the buyer **110** enters the requested information through the graphical user interface.

[**0100**] In step **430**A, the payment enabler **240** creates a registration record for the flash cash deposit in a registration database stored by the payment enabler **240**. The registration record for the flash cash deposit stores identification information for the flash cash deposit instrument and indicates when the buyer **110** has made the cash deposit in order to complete registration of the flash cash instrument.

[**0101**] In step **440**A, the payment enabler **240** stores a flag in the registration record to indicate that buyer **110** has not yet made the deposit. In step **450**A, the payment enabler **240** provides the flash cash processor **285** with identification information for the buyer **110** and the deposit amount. The flash cash processor **285** stores this information in its own database.

[**0102**] In step **460**A, the buyer **110** physically goes to a deposit location registered with the flash cash processor **285**. At the deposit location, the buyer **110** deposits cash in the

amount previously specified when setting up the deposit with the payment enabler **240**.

[**0103**] In step **470**A, the deposit location electronically notifies the flash cash processor **285** that the buyer **110** has completed the prearranged deposit. In step **480**A, the flash cash processor **285** notifies the payment enabler **240** that the buyer **110** has completed the prearranged deposit.

[**0104**] Upon notification that the buyer **110** has completed the prearranged deposit, in step **490**A, the payment enabler **240** updates the flag in the registration record to indicate that the buyer **110** has completed the deposit. The routine then returns in step **495**A.

[**0105**] FIG. **4**B is a logical flow diagram illustrating the steps in an exemplary procedure for the registration of a credit card as a payment instrument. The buyer **110** may follow this routine in step **320** of FIG. **3**.

[**0106**] The routine begins with step **410**B, in which the payment enabler **240** presents the buyer **110** with a graphical user interface enabling the buyer **110** to enter credit card registration information. In step **420**B, the buyer **110** enters his name, address, card association, card number, and card expiration date through the graphical user interface.

[**0107**] In step **430**B, the payment enabler **240** provides the information entered by the buyer **110** to the credit card transaction processor **290** for registration processing. In step **440**B, the credit card transaction processor **290** compares the address provided by the payment enabler **240** to the address of record for the credit card holder. Instead of performing the address verification comparison at the credit card transaction processor **290**, the credit card transaction processor may forward the registration information entered by the buyer **110** to the credit card issuer, which performs the address comparison and reports the results of the comparison back to the credit card transaction processor.

[**0108**] In step **450**B, the credit card transaction processor **290** sends the payment enabler **240** a score indicating the degree to which the address provided by the payment enabler **240** and the address of record match. Such address matching analyses are known to those skilled in the art.

[**0109**] In step **460**B, the payment enabler **240** determines if the address matching score meets minimum requirements for registration. If the score does not meet the minimum requirements for registration, the "NO" branch is followed to step **480**B. In step **480**B, registration of the credit card is denied, and the routine returns in step **490**B.

[**0110**] Referring again to step **460**B, if the score does meet minimum requirements for registration, then the "YES" branch is followed to step **470**B. In step **470**B, the payment enabler **240** creates a registration record for the credit card. The registration record is stored in a registration database at the payment enabler **240**. The routine then returns in step **490**B.

[**0111**] FIG. **4**C is a logical flow diagram illustrating the steps in an exemplary process for registration of a bank account as a payment instrument via electronic fund transactions. The buyer **110** may follow this routine in step **320** of FIG. **3**.

[**0112**] The routine begins with step **410**C, in which the payment enabler **240** presents the buyer **110** with the graphical user interface enabling the buyer **110** to enter bank account registration information. In step **420**C, the buyer **110** enters his name. The buyer **110** also enters the routing number and account number for the bank account the buyer **110** wishes to register.

[**0113**] In step **430**C, the payment enabler **240** provides information entered by the buyer **110** to the electronic fund transaction processor **270** for registration processing. In step **440**C, the electronic fund transaction processor **270** processes the registration information by reviewing a negative history database to determine if there is negative history for the account. Such a negative history review is known to those skilled in the art.

[**0114**] In step **450**C, the electronic fund transaction processor **270** determines if significant negative history has been found. If significant negative history has been found, the "YES" branch is followed to step **480**C, and registration of the bank account as a payment instrument is denied. In this case, the routine returns in step **490**C.

[**0115**] Referring again to step **450**C, if significant negative history is not found, then the "NO" branch is followed to step **460**C. In step **460**C, the electronic fund transaction processor **270** notifies the payment enabler **240** that transaction requests will be accepted for the bank account.

[**0116**] In step **470**C, the payment enabler **240** creates a registration record indicating that the bank account has been registered for debiting in electronic fund transactions. This registration record is stored in a registration database at the payment enabler **240**. The routine then returns in step **490**C.

[**0117**] FIG. **4**D is a logical flow diagram illustrating the steps in an exemplary process for the registration of a virtual private payment account as a payment instrument. The buyer **110** may follow this routine in step **320** of FIG. **3**.

[**0118**] The routine begins in step **410**D, in which the payment enabler **240** presents the buyer **110** with a graphical user interface enabling the buyer **110** to enter the virtual private payment account registration information. In step **420**D, the buyer **110** enters the account provider and the account number for the virtual private payment account. The buyer **110** enters this information through the graphical user interface presented to the buyer in step **410**D.

[**0119**] In step **430**D, the payment enabler **240** determines if the account provider has been approved by the payment enabler **240**. If the account provider has not been approved by the payment enabler **240**, then the "NO" branch is followed to step **470**D, in which registration of the virtual private payment account as a payment instrument is denied. In that case, the routine returns in step **480**D.

[**0120**] Referring again to step **430**D, if the payment enabler **240** determines that the account provider has been approved by the payment enabler **240**, then the "YES" branch is followed to step **440**D. In step **440**D, the payment enabler **240** queries the virtual private payment account processor **275** of the account provider to determine if the processor will accept requests for debiting the virtual private payment account. The virtual private payment account processor **275**, in response, notifies the payment enabler **240** if such requests will be accepted.

[**0121**] In step **450**D, the payment enabler **240** determines if these requests will be accepted. If requests for debiting the

virtual private payment account will not be accepted, then the "NO" branch is followed to step **470**D, in which registration of the virtual private payment account is a payment instrument is denied. The routine then returns in step **480**D.

[**0122**] Referring again to step **450**D, if the payment enabler **240** is told by the virtual private payment account processor **275** that requests for debiting the virtual private payment account will be accepted, then the "YES" branch is followed to step **460**D. In step **460**D, the payment enabler **240** creates a registration record that indicates that the virtual private payment account has been registered for debiting. The payment enabler **240** stores this registration record in a registration database at the payment enabler **240**. The routine then returns in step **480**D.

[**0123**] FIG. **4**E is a logical flow diagram illustrating the steps in an exemplary process for the registration of a physical check as a payment instrument. The buyer **110** may follow this routine in step **320** of FIG. **3**.

[**0124**] In step **410**E, the payment enabler **240** presents the buyer **110** with the graphical user interface enabling the buyer **110** to enter identification information and a check amount. In step **420**E, the buyer **110** enters the requested information through the graphical user interface.

[**0125**] In step **430**E, the payment enabler **240** creates a registration record for the check deposit in a registration database stored by the payment enabler **240**. In step **440**E, the payment enabler **240** stores a flag in the registration record to indicate that the buyer **110** has not yet made the check deposit.

[**0126**] In step **450**E, the payment enabler **240** provides the check processor **280** with identification information for the buyer **110** and the check deposit amount. The check processor **280** stores this information and awaits receipt of the check from the buyer **110**.

[**0127**] In step **460**E, the buyer **110** sends a physical check to an address specified by the check processor **280**. In step **470**E, the check arrives at the address specified by the check processor **280**. The check processor **280** processes the check and obtains the payment specified by the check.

[**0128**] In step **480**E, the check processor **280** electronically notifies the payment enabler **240** that the buyer **110** has completed the prearranged check deposit. In step **490**E, the payment enabler **240** updates the flag in the registration record to indicate that the buyer **110** has completed the check deposit. The routine then returns in step **495**E.

[**0129**] FIG. **5**A is a logical flow diagram illustrating the steps in an exemplary process for the registration of a bank account as a disbursement instrument via electronic fund transactions. The seller **130** may follow this routine in step **330** of FIG. **3**.

[**0130**] In step **510**A, the payment enabler **240** presents the seller **130** with a graphical user interface enabling the seller **130** to enter bank account registration information. In step **520**A, the seller **130** enters the seller's name. The seller **130** also enters the routing number and account number for the bank account. The seller **130** enters this information through the graphical user interface presented to the seller in step **510**A.

[**0131**] In step **530**A, the payment enabler **240** provides the information entered by the seller **130** to the electronic fund transaction processor **270** for registration processing. In step **540**A, the electronic fund transaction processor **270** verifies the existence of the account and notifies the payment enabler **240** if the account exists.

[**0132**] In step **550**A, the payment enabler **240** determines if the payment enabler was notified that the account was found. If the account was not found, then the "NO" branch is followed to step **580**A, and registration of the bank account as a disbursement instrument is denied. The routine then returns in step **590**A.

[**0133**] Referring again to step **550**A, if the bank account was found, then the "YES" branch is followed to step **560**A. In step **560**A, the electronic fund transaction processor **270** notifies the payment enabler **240** that the electronic fund transaction requests will be accepted for the bank account.

[**0134**] In step **570**A, the payment enabler **240** creates a registration record indicating that the bank account has been registered for crediting in electronic fund transactions. This registration record is stored in the database at the payment enabler **240**. The routine then returns in step **590**A.

[**0135**] FIG. **5**B is a logical flow diagram illustrating the steps in an exemplary process for registration of a virtual private payment account as a disbursement instrument. The seller **130** may follow this routine in step **330** of FIG. **3**.

[**0136**] The routine begins in step **510**B, in which the payment enabler **240** presents the seller **130** with a graphical user interface enabling the seller **130** to enter the virtual private payment account registration information. In step **520**B, the seller **130** enters the account provider and the account number for the virtual private payment account. The seller **130** enters this information through the graphical user interface presented to the seller in step **510**B.

[**0137**] In step **530**B, the payment enabler **240** determines if the account provider entered by the seller **130** has been approved by the payment enabler **240**. If the account provider has not been approved by the payment enabler **240**, then the "NO" branch is followed to step **550**B. In step **550**B, registration of the virtual private payment account as a payment instrument is denied. The procedure then returns in step **560**B.

[**0138**] Referring again to step **530**B, if the account provider has been approved by the payment enabler **240**, then the "YES" branch is followed to step **540**B. In step **540**B, the payment enabler **240** creates a registration record indicating that the virtual private payment account has been registered for crediting. The registration record is stored in a database at the payment enabler **240**. The routine then returns in step **560**B.

[**0139**] FIG. **5**C is a logical flow diagram illustrating the steps in an exemplary process for registration of a mailed check as the disbursement instrument. The seller **130** may follow this routine in step **330** of FIG. **3**.

[**0140**] The routine begins in step **510**C, in which the payment enabler **240** presents the seller **130** with a graphical user interface enabling the seller **130** to enter registration information for receiving disbursements through a mailed check. In step **520**C, the seller **130** uses the graphical user interface to enter the seller's name and the address to which the seller wants the check processor **280** to mail disbursement checks.

[0141] In order to register to receive a mailed check disbursement instrument, the payment enabler **240** also requires that the seller **130** register a credit card. Registration of a credit card provides protection to the intermediary **120** because the payment enabler **240** can charge the credit card in order to refund the buyer **110** should the seller **130** cash the disbursement check and disappear in a fraudulent transaction. The credit card can also be used to refund the buyer **110** in the event of a chargeback. Thus, in step **530**C, the payment enabler **240** requires the seller **130** to enter credit card information, including the card association of the credit card, the card number, and the card expiration date. The seller **130** enters this information through a graphical user interface provided by the payment enabler **240**.

[0142] In step **540**C, the payment enabler **240** provides the information entered by the seller **130** to the credit card transaction processor **290** for registration processing. In step **550**C, the credit card transaction processor **290** compares the address provided by the payment enabler **240** to the address of record for the credit card holder. Instead of performing the address verification comparison at the credit card transaction processor **290**, the credit card transaction processor may forward the registration information entered by the buyer **110** to the credit card issuer, which performs the address comparison and reports the results of the comparison back to the credit card transaction processor. In step **560**C, the credit card transaction processor **290** sends the payment enabler **240** a score indicating the degree to which the address provided by the payment enabler **240** matches the address of record for the credit card holder.

[0143] In step **570**C, the payment enabler **240** determines if the score meets minimum requirements for registration of the credit card. If the score does not meet the minimum requirements for registration, then the "NO" branch is followed to step **590**C, and the payment enabler **240** tells the seller **130** that the seller cannot register to receive disbursements through mailed checks until the seller provides a valid credit card with a matching address. The routine then returns in step **595**C.

[0144] Referring again to step **570**C, if the score returned by the credit card transaction processor **290** does meet minimum requirements for credit card registration, then the "YES" branch is followed to step **580**C. In step **580**C, the payment enabler **240** creates a registration record that indicates that the seller **130** can receive mailed check disbursements. This record includes the address to which the check disbursement should be mailed, as well as the credit card information needed to protect against fraud and to enable chargebacks. This registration record is stored in a database at the payment enabler **240**. The routine then returns in step **595**C.

[0145] FIG. **6** is a logical flow diagram illustrating exemplary steps for completing routine **360** on FIG. **3**. Routine **360** also appears on FIGS. **9**, **10** and **11**. The routine **360** contains exemplary steps that the payment enabler **240** can follow to ensure completion of the transaction between the buyer **110** and the seller **130**.

[0146] Routine **360** begins with step **610**. In step **610**, the payment enabler **240** seeks an authorization for payment of the amount buyer **110** owes seller **130**. The payment enabler **240** seeks this authorization from the payment instrument processor **265** associated with the payment instrument selected by the buyer **110**. The payment enabler **240** notifies the payment instrument processor **265** that the recipient of the authorized payment should be a bank account of the intermediary **120**.

[0147] Generally, authorization refers to the point at which the payment enabler **240** passes the risk of non-payment by the buyer **110** to the entity running the payment instrument processor **265** from which authorization is sought. For flash cash, authorization is defined at which the flash cash processor **285** notifies the payment enabler **240** that the buyer **110** has completed the prearranged deposit in step **480**A of FIG. **4**A. Thus, for flash cash, authorization automatically occurs during the registration process of FIG. **4**A. Similarly, authorization for a physical check occurs automatically during the registration process of FIG. **4**E in step **480**E, in which the check processor **280** electronically notifies the payment enabler **240** that the buyer **110** has completed the prearranged check deposit. This is true even though the bank account of the intermediary **120** may not yet have received the associated payment.

[0148] For a credit card transaction, the authorization process is well understood by those skilled in the art. Specifically, the payment enabler **240** provides a payment request to the credit card transaction processor **290**. This charge request includes the payment amount and the credit card information. In the manner known to those skilled in the art, the credit card transaction processor **290** determines whether or not to accept this charge, a decision typically based on the credit card's spending limit, the card's current balance, and the amount of the authorization request. If the charge is accepted by the credit card transaction processor **290**, the credit card transaction processor **290** generates an authorization number, which the credit card transaction processor **290** provides to the payment enabler **240**. Upon authorization, the intermediary **120** is assured payment, and the risk of loss has passed to the credit card transaction processor **290**.

[0149] For payment by the buyer **110** through an electronic fund transaction, an authorization is also obtained through methods known to those skilled in the art. Specifically, the payment enabler **240** makes an electronic fund transaction request of the electronic fund transaction processor **270**. This transaction request includes the dollar amount, as well as the routing number and the account number of the account to be debited. The electronic fund transaction processor **270** determines whether to grant the authorization based upon a number of factors, including the dollar amount of the debit request and the current account balance. If the electronic fund transaction processor **270** grants the authorization, the electronic fund transaction processor **270** assumes the risk of non-payment by the buyer **110** and notifies the payment enabler **240** that authorization is granted.

[0150] Authorization for a debiting of a virtual private payment account may occur in a manner analogous to debiting a bank account in an electronic fund transaction.

[0151] The payment enabler **240** may provide the buyer **110** with a predetermined number of attempts to obtain an authorization. Different attempts may be with the same instrument, or the different attempts may be with different instruments.

[0152] In step **620**, the payment enabler **240** determines if an authorization was obtained for the payment instrument

selected by the buyer **110**. If authorization was not obtained, then the "NO" branch is followed to step **680**, and the routine returns. If, in step **620**, authorization was obtained, then the "YES" branch is followed to step **630**.

[**0153**] Once authorization has been obtained, the intermediary **120** is assured payment because the payment enabler **240** has passed to another party the risk of non-payment by the buyer **110**. Thus, the intermediary **120** obtains the amount due automatically at a later time. In step **630**, the bank account of the intermediary **120** receives deposit of the amount authorized for the payment instrument. However, in the case of a transfer of money from a virtual private payment account of the buyer **110** to a virtual private payment account of the seller **130**, the money need not pass through a bank account of the intermediary **120**, but rather can occur directly at the request of the payment enabler **240**.

[**0154**] The collection of money from the buyer **110** and the transfer of that money to the bank account of the intermediary **120** occurs in the manner known to those skilled in the art. In the case of flash cash, the flash cash processor **285** coordinates a direct deposit into the bank account of the intermediary **120**. The credit card transaction processor **290** coordinates settlement in the typical way for credit cards. The electronic fund transaction processor **270** uses the automated clearing house to accomplish settlement. The virtual private payment account processor **275** generates settlement by debiting the virtual private payment account of the buyer **110** and generating a direct deposit into the bank account of the intermediary **120**. The check processor **280** may also generate a direct deposit into the bank account of the intermediary **120** to remit payment to the intermediary **120**.

[**0155**] In step **640**, the payment enabler **240** verifies delivery of acceptable goods to the buyer **110**. In step **650**, the payment enabler **240** determines if the seller has delivered acceptable goods to the buyer **110**. If acceptable goods have been delivered, then the "YES" branch is followed to step **670**, in which the payment enabler **240** transfers the amount buyer **110** owes seller **130** from a bank account of the intermediary **120** to the seller through the disbursement instrument selected by the seller **130**. The routine then returns in step **680**.

[**0156**] The disbursement transfer in step **670** is accomplished in the manner known to those skilled in the art. For example, in the case of an electronic fund transaction, the payment enabler **240** generates a request to the electronic fund transaction processor **270** to credit the bank account of the seller **130** and debit the account of the intermediary **120**. The electronic fund transaction processor **270** processes this request through the automated clearing house. In the case of a virtual private payment account selected as the disbursement instrument, the payment enabler **240** draws funds from the account of the intermediary **120** in order to pay the virtual private payment account host, which credits the virtual private payment account of seller **130**. In the case of a physical check chosen as the disbursement instrument, the payment enabler **240** instructs the check processor **280** to cut a check drawn on a bank account of the intermediary **120**.

[**0157**] Referring again to step **650**, if the payment enabler **240** determines that acceptable goods have not been delivered, then the "NO" branch is followed to step **660**. In step **660**, the payment enabler **240** refunds the money to the buyer **110**, possibly contingent upon the return of the unacceptable goods to the seller **130**. The routine then returns in step **680**.

[**0158**] FIG. **7** is a logical flow diagram illustrating exemplary steps for completing routine **640** on FIG. **6**. In routine **640**, the payment enabler **240** verifies the delivery of acceptable goods to the buyer **110**.

[**0159**] The routine **640** begins with step **710**, in which the payment enabler **240** notifies the seller **130** that payment is guaranteed upon receipt and acceptance of goods by the buyer **110**. In step **720**, the payment enabler **240** instructs the seller **130** to ship the goods to the buyer **110** via an approved shipping service.

[**0160**] In step **730**, the seller **130** ships the goods through an approved shipping service that provides the seller with a tracking number for tracking delivery of the goods. In step **740**, the seller **130** notifies the payment enabler **240** of the tracking number through a graphical user interface provided by the payment enabler. The payment enabler **240** then stores this tracking number.

[**0161**] The payment enabler **240** also provides an interface to both the buyer **110** and seller **130** that permits them to track the delivery of the goods through the shipping service. To get this information, the payment enabler **240** queries the shipping service tracking database **250** using the tracking number.

[**0162**] In step **750**, the payment enabler **240** periodically queries the shipping service tracking database **250** until the database indicates a date of delivery of the goods to the buyer **110**. Alternatively, the payment enabler **240** could register with the shipping service tracking database **250** so that the shipping service tracking database **250** can automatically notify the payment enabler **240** when the goods have been delivered to the buyer **110**.

[**0163**] When using the consumer-to-consumer service of the payment enabler **240**, the buyer **110** is informed that he should inform the payment enabler of his acceptance or rejection of the goods upon delivery. The buyer **110** is also warned that the goods will be deemed acceptable if the buyer **110** registers neither an acceptance nor a rejection of the goods within a predetermined amount of time of the delivery date. In step **760**, the payment enabler **240** determines if the buyer **110** has notified the payment enabler **240** of rejection of the goods within a predetermined amount of time of the delivery date. If so, the "YES" branch is followed to step **770**, in which the payment enabler **240** determines that acceptable goods have not been delivered. The routine then returns in step **790**.

[**0164**] Referring again to step **760**, if the payment enabler **240** determines that the buyer **110** has not notified the payment enabler of the rejection of good within a predetermined amount of time of the delivery date, then the "NO" branch is followed to step **780**, in which the payment enabler **240** determines that acceptable goods have been delivered. In this case, the buyer **110** has notified the payment enabler **240** of the acceptance of goods through a graphical user interface or the buyer has failed to reject the goods within the predetermined time period. The routine then returns in step **790**.

[**0165**] FIG. **8** is a logical flow diagram illustrating exemplary steps completed by routine **660** on FIG. **6**. The routine

660 provides exemplary steps the payment enabler 240 can follow to refund money to the buyer 110 who has rejected the goods delivered by the seller.

[0166] The routine 660 begins with step 810, in which the payment enabler 240 notifies the seller 130 that the buyer 110 has rejected the goods. In step 820, the payment enabler 240 instructs the buyer 110 to ship the goods back to the seller 130 via an approved shipping service.

[0167] In step 830, the buyer 110 ships the goods via an approved shipping service that provides the buyer 110 with a tracking number for tracking delivery of the goods. In step 840, the buyer 110 notifies the payment enabler 240 of the tracking number, allowing both buyer 110 and seller 130 to track delivery of the returned goods through a graphical user interface.

[0168] In step 850, the payment enabler 240 periodically queries the shipping service tracking database 250 until the tracking database 250 indicates a date of delivery. In step 860, the payment enabler 240 determines if the seller 130 has notified the payment enabler of rejection of the returned goods within a predetermined amount of the time of the delivery date. If so, the "YES" branch is followed to step 870, and the payment enabler 240 refuses to make any further transfer of the money until the dispute is resolved. The routine then returns to step 890.

[0169] Referring again to step 860, if the seller 130 has not notified the payment enabler 240 of rejection of the goods within a predetermined amount of the time of the delivery date, then the "NO" branch is followed to step 880. In step 880, the payment enabler 240 refunds the money to the buyer 110, less the charge for the consumer-to-consumer payment service. The routine then returns in step 890.

[0170] Consumer-to-Consumer Payments in an Auction Environment

[0171] FIG. 9 is a logical flow diagram illustrating exemplary steps in an auction process 900 that includes consumer-to-consumer payments facilitated by the payment enabler 240. The process includes static registration of the buyer 110 and the seller 130 with the payment enabler 240.

[0172] The auction process may occur through any of the Web auction sites that are well-known to users of the Internet. A Web auction site, such as EBAY or YAHOO! AUCTION, allows a seller 130 to post an object for sale on the Web site. Numerous bidders then bid on the item on the Web site, leading to a single winning bidder, who becomes the buyer 110.

[0173] Static registration occurs when both the buyer 110 and the seller 130 register their financial instruments with the payment enabler 240 prior to the bidding process. In contrast, dynamic registration occurs when the buyer 110, the seller 130, or both the buyer 110 and the seller 130 register with the payment enabler 240 after the bidding process.

[0174] Registration with the payment enabler 240 need not be tied to any particular auction item. The registration process also need not be limited to registering a particular consumer as a buyer 110 or a seller 130. Specifically, any consumer registering with the payment enabler 240 may register to be a buyer 110, a seller 130, or both a buyer 110 and a seller 130, so long as the consumer registers appropriate payment or disbursement instruments. During registration, the consumer may register multiple payment instruments and multiple disbursement instruments. The consumer may also pick a preferred disbursement instrument and a preferred payment instrument, which the consumer can change when directing the payment enabler 240 to proceed with a specific transaction.

[0175] The auction process 900 begins with step 910, in which the buyer 110 and seller 130 separately register for participation in a Web-based auction site, which is the transaction facilitator 230 of FIG. 2. Registration with the auction site 230 is different from registration with the payment enabler 240 because registration simply enables the buyer 110 and seller 130 to participate in online auctions; no payment or disbursement instruments need to be registered at this point. Upon registration with the auction site, both the buyer 110 and the seller 130 receive a unique user ID from the auction site. This user ID identifies the buyer 110 and the seller 130 in any transactions in which they participate.

[0176] In step 920, the buyer 110 registers with the payment enabler 240 by specifying payment instruments. Typically, the buyer 110 is transferred to the registration Web page of the payment enabler 240 either by choosing a menu option that appears when the buyer logs onto the auction site 230 or by clicking on a hyperlink in an e-mail promoting the consumer-to-consumer payment service. Preferably, the Web page provided by the payment enabler 240 is branded identically with the auction site 230. Furthermore, the auction site 230 preferably passes the buyer user ID to the payment enabler 240 for use as the registration record key. By automatically passing this buyer user ID from the auction site 230 to the payment enabler 240, the payment enabler and the auction site can present an integrated experience to the buyer 110 in which the buyer never realizes he is at a different site.

[0177] In step 930, the seller 130 registers with the payment enabler 240 by specifying disbursement instruments. Typically, the seller 130 is transferred to the registration Web page of the payment enabler 240 either by choosing a menu option that appears when the seller logs onto the auction site 230 or by clicking on a hyperlink in an e-mail promoting the consumer-to-consumer payment service. Preferably, the Web page provided by the payment enabler 240 is branded identically with the auction site 230. Furthermore, the auction site 230 preferably passes the seller user ID to the payment enabler 240 for use as the registration record key. By automatically passing this seller user ID from the auction site 230 to the payment enabler 240, the payment enabler and the auction site can present an integrated experience to the seller 130 in which the seller never realizes he is at a different site.

[0178] In step 940, the bidding process occurs, and the buyer 110 wins the bidding process for the item (goods) of the seller 130. At this point, the auction site 230 assigns a unique transaction ID for use as a key to a record storing the transaction details. These transactions details include the item, the price, and the identification of the buyer 110 and the seller 130 through the buyer user ID and the seller user ID.

[0179] In step 950, the buyer 110 notifies the auction site of the desire of the buyer 110 to pay the seller 130 through the services of the payment enabler 240. The buyer 110 may

be transferred to a Web page for performing this notification by clicking on a hyperlink in an e-mail notifying the buyer of his winning bid. Alternatively, the buyer **110** may discover he was the winning bidder by perusing recent transactions after logging onto the auction site **230**, and the buyer may then choose a menu hyperlink to a Web page for notifying the auction site of a desire to use the consumer-to-consumer payment service.

[**0180**] In step **960**, the auction site provides the transaction details to the payment enabler **240**, which stores the information in a database. These details may include the transaction ID so that the auction site and the payment enabler **240** can communicate about the particular transaction.

[**0181**] Upon notification that the buyer **110** desires to pay the seller **130** through the services of the payment enabler **240**, the seller selects a registered disbursement instrument in step **970**. The seller **130** also creates an electronic invoice for the transaction through a Web page provided by the payment enabler **240**. This invoice may include the bid price, the shipping charges, the handling charges, and the total price. Handling charges may be those fees charged by the payment enabler **240** for use of the consumer-to-consumer payment service.

[**0182**] The buyer **110** then learns from perusing his account or reading an e-mail that the invoice has been created. By clicking on a hyperlink in the e-mail or by navigating appropriately through the interface provided by the auction site **230**, the buyer **110** directs his browser to the electronic invoice Web page of the payment enabler **240**. In step **980**, the buyer **110** reviews this invoice.

[**0183**] The buyer **110** may disagree with the terms stated in the invoice. For example, the buyer **110** may disagree with the shipping charges. If that is the case, there may be an opportunity for the buyer **110** to negotiate the terms stated in the invoice through electronic messages, sent either in e-mail form or through a Web site provided by the payment enabler **240**, with the seller **130**.

[**0184**] In step **990**, the buyer **110** selects a registered payment instrument. By doing so, the buyer **110** also instructs the payment enabler **240** to pay the seller **130** using the selected instrument.

[**0185**] In step **360**, the payment enabler **240** ensures completion of the transaction between the buyer **110** and the seller **130**. The process **900** then ends in step **995**.

[**0186**] FIG. **10** is a logical flow diagram illustrating the steps of an exemplary auction process **1000** that incorporates dynamic registration of the buyer **110** with the payment enabler **240**. Auction process **1000** of FIG. **10** is similar to the auction process **900** of FIG. **9**, except that in the auction process **1000**, the buyer **110** registers with the payment enabler **240** after the bidding process, instead of before the bidding process.

[**0187**] Specifically, after the buyer **110** notifies the auction site in step **950** that the buyer wishes to pay the seller **130** through the payment enabler **240**, the auction site in step **1010** then redirects the buyer's browser to the registration page of the payment enabler **240** so that the buyer can register. At that point, in step **920**, the buyer **110** registers with the payment enabler **240** through an identically branded Web page provided by the payment enabler **240**. After step **920**, the auction process **1000** proceeds as in the auction process **900** of FIG. **9**.

[**0188**] FIG. **11** is a logical flow diagram illustrating the steps of an exemplary auction process **1100** that incorporates dynamic registration of the seller **130** with the payment enabler **240**. Again, the auction process **1100** of FIG. **11** is similar to the auction process **900** of FIG. **9**, except that in the auction process **1100**, the seller **130** registers with the payment enabler **240** after the bidding process, instead of before the bidding process.

[**0189**] Specifically, the buyer **110** wins the bidding in step **940**. In step **950**, the buyer **110** notifies the auction site of the buyer's desire to pay the seller **130** through the payment enabler **240**. Then, in step **1110**, the auction site **230** enables the buyer **110** to request that the seller **130** register with the payment enabler **240**, because the seller **130** has not yet registered a disbursement instrument for receiving the buyer's payment. To notify the seller **130** of the request for registration by the buyer **110**, the payment enabler **240** may send the seller an e-mail. The seller then registers with the payment enabler **240** in step **930**. Subsequently, the auction process **1100** proceeds as in the auction process **900** of FIG. **9**.

[**0190**] Therefore, a method for offering a consumer to consumer payment service over a computer network has been described. Other alternative embodiments will become apparent to those skilled in the art to which an exemplary embodiment pertains without departing from its spirit and scope. Accordingly, the scope of the present invention is defined by the appended claims rather than the foregoing description.

[**0191**] Personal Merchant Accounts

[**0192**] The consumer-to-consumer payment process **300** can be modified to provide a personal merchant account to an individual consumer. These personal merchant accounts may be managed by the payment enabler **240**. Generally, a personal merchant account allows an individual seller **130** to create and manage an online cash register. Once the seller **130** has created the online cash register, any given buyer **110** may use the online cash register to pay the seller **130** for goods through any one of a variety of payment instrument types the seller has chosen to offer through the online cash register. In a typical embodiment, the online cash register is a Web page form for receiving payment instrument information.

[**0193**] The online cash register that the seller **130** creates through the seller's personal merchant account can facilitate transactions between the seller and multiple buyers. The personal merchant account can also provide the seller **130** with tools for managing these multiple transactions. Specifically, the personal merchant account may provide the seller with online backroom capabilities. Typically, the payment enabler **240** provides these backroom capabilities to the seller **130** through graphical user interfaces, such as Web pages.

[**0194**] These backroom capabilities enable the seller **130** to view information about all completed transactions for which the seller has been paid and all pending transactions for which the seller has not yet been paid. Also, the backroom capabilities may enable the seller **130** to view orders

which the seller **130** needs to fulfill for customers. These backroom capabilities may further provide the seller **130** with tools for monitoring shipments of goods to the various buyers. Furthermore, the backroom capabilities may calculate the total revenues collected by the seller **130** through the online cash register. Other backroom capabilities, which are known to those skilled in the art, may be available through the personal merchant account.

[**0195**] Typically, the personal merchant account and the online cash register are integrated with the transaction facilitator **230**. The transaction facilitator **230** may, for example, be an online auction site, an online classifieds site, or an online shopping mall at which the seller **130** has a virtual storefront for selling a variety of goods. Thus, the seller **130** may be referred to the payment enabler **240** for creation of the personal merchant account and the online cash register by the transaction facilitator **230**. Similarly, the seller **130** may access the backroom capabilities of the seller's personal merchant account through a link from the transaction facilitator **230**. Upon facilitating an agreement for the sale of goods from the seller **130** to the buyer **110**, the transaction facilitator **230** may automatically send the buyer to the seller's online cash register in order to pay.

[**0196**] To create an online cash register, the seller **130** first determines what payment methods the seller wishes to offer through the online cash register. Typically, the seller **130** can select payment instrument types from a graphical user interface provided by the payment enabler **240**. For each payment instrument type selected by the seller **130**, the payment enabler **240** usually requires the seller to undergo an approval or underwriting process.

[**0197**] When creating the online cash register, the seller **130** also registers a disbursement instrument for receiving payment from the buyer **110**. The procedure for registering a disbursement instrument may be analogous to any of the disbursement instrument registration procedures of FIGS. **5**A-**5**C.

[**0198**] When creating the online cash register, the seller **130** typically also defines additional charges to be added to the price at which the seller agreed to sell goods to the buyer **110**. Such additional charges may include sales tax, shipping charges, and handling charges (i.e., the money the payment enabler **240** charges for processing the payment of the buyer **110**). Once the seller **130** has defined these additional charges, the online cash register automatically calculates these additional charges and a total price that includes the sale price of the goods plus the additional charges. The online cash register then presents a display of the sale price of the goods, the additional charges, and the total price to the buyer **110** for payment.

[**0199**] The additional charges may be predefined by the seller **130** through the use of tables or formulas. For example, the seller **130** may require sales tax to be calculated as a percentage of the sale price of the goods, and the seller may further define the percentage to be used in this calculation in a table that associates a percentage with each possible state in which the buyer **110** may live. Similarly, the seller **130** may define a table of shipping charges that vary depending on the weight of the item, the size of the item, and the address of the buyer **110**. Alternatively, the seller **130** may manually enter the additional charges for a particular transaction after agreeing to sell goods to the buyer **110** for a specified price.

[**0200**] In order to limit the danger of fraud and chargebacks, the payment enabler **240** may require the seller **130** to undergo an underwriting or approval process before receiving a personal merchant account. This approval process may be similar to the approval process a retail business must undergo to become a merchant and may vary depending on the particular instrument type(s) that the seller wants to accept through the online cash register.

[**0201**] Typically, the payment enabler **240** retrieves information on which the approval decision is based through a graphical user interface provided to the seller **130** for creation of the online cash register. Furthermore, the payment enabler **240** may query additional sources based upon the information received from the seller **130** in order to obtain additional information that the payment enabler considers in the approval process. In determining whether or not to approve the seller **130** for the personal merchant account or for accepting payments through a particular payment instrument type, the payment enabler **240** may require the seller **130** to provide such information as the seller's name, address, social security number, e-mail address, estimated total sales for the products to be sold, type of products to be sold, how long the seller has been associated with the transaction facilitator **230**, feedback received by the transaction facilitator **230** from customers of the seller, and the credit history of the seller. The payment enabler **240** may submit the information received from the seller **130** to a remote computer node (not shown) for performing the underwriting process.

[**0202**] The payment enabler **240** may make an automated decision whether or not to approve the seller **130** for the personal merchant account or for accepting a payment instrument type through an online cash register. The payment enabler **240** may base this automated decision upon information provided by the seller **130** to the payment enabler and further information about the seller that the payment enabler obtains from other sources.

[**0203**] Alternatively, the payment enabler **240** may determine that the seller **130** does not meet the criteria for either automated approval or automated rejection. In that case, the payment enabler **240** may refer the underwriting process to a human credit manager for further review. In this further review, the human credit manager may request additional information from the seller **130** or request additional information from other sources. After final decision, the human credit manager informs the payment enabler **240** whether or not to approve the seller **130** for the personal merchant account or for the payment instrument type under review.

[**0204**] When performing the underwriting assessment of the seller **130**, the payment enabler **240** may rate the seller using tiered risk assessment criteria. For example, the payment enabler **240** may process the information provided by the seller **130** to determine if the seller is high risk, medium risk, or low risk for fraud and chargebacks. The payment enabler **240** may inform potential buyers of the tier into which the payment enabler has placed the seller **130**, thereby helping a buyer **110** to determine whether or not to do business with the seller. Similarly, the tier into which the payment enabler **240** places the seller **130** for a particular payment instrument type may determine the maximum amount the seller **130** can receive through that payment instrument for any single transaction. Also, the tier into

which the payment enabler **240** places the seller **130** may determine whether or not the payment enabler refers the underwriting process to a human credit manager.

[**0205**] After the seller **130** creates an online cash register, the seller **130** may then provide the online cash register to buyers in order to receive payment for the sale of goods. Also, the seller **130** may use the backroom capabilities of the personal merchant account to view transactions completed through the online cash register.

[**0206**] Handling of the payment process through the online cash register occurs in a manner analogous to that for the consumer-to-consumer payment process **300**. The transaction facilitator **230** provides the payment enabler **240** with the details of a transaction between the buyer **110** and the seller **130**. The payment enabler **240** then provides the online cash register for the seller **130** to the buyer **110**. The online cash register displays the sale price of the goods the buyer **110** is buying from the seller **130**. The online cash register also displays any additional charges the seller **130** wishes to charge the buyer **110**. Further, the online cash register includes a form allowing the buyer **110** to pay the total price using any of the payment instrument types for which the seller **130** has sought and received approval.

[**0207**] In response to viewing the online cash register, the buyer **110** enters registration information for a payment instrument of one of the payment instrument types available through the online cash register. This registration process for the buyer **110** may be similar to the registration process shown in any of FIGS. **4**A-**4**E, which are used in the consumer-to-consumer payment process **300**. As with the consumer-to-consumer payment process **300**, the payment enabler **240** may store the registration information for the payment instrument. In that way, the payment enabler **240** may process requests from the buyer **110** to pay the seller **130** without ever providing the registration information for the payment instrument to the seller. This eliminates any necessity for providing the seller **130** with a general authorization to charge payment instruments such as credit cards, thereby reducing the danger of fraud.

[**0208**] After registration of a payment instrument, the buyer **110** can then instruct the online cash register provided by the payment enabler **240** to pay the seller **130**. The payment enabler **240** then obtains an authorization for a transfer of the total price indicated by the online cash register from the buyer **110** through the payment instrument to a first intermediary bank account of the intermediary **120**. Next, the payment enabler **240** orders a transfer of the total price from a second intermediary bank account through a pre-registered disbursement instrument to the seller **130**. The first intermediary bank account and the second intermediary bank account may be identical, or they may be owned by the same entity.

[**0209**] When the online cash register receives instructions from the buyer **110** to pay the seller **130** a total price indicated by the online cash register, the payment enabler **240** assigns the transaction a unique reference number. Through the backroom capabilities of the personal merchant account, the seller **130** can view pending and past transactions and their associated reference numbers. The seller **130** can also use this reference number to refer to the specific transaction when contacting the intermediary **120** to discuss a transaction, such as during fraud investigations and chargebacks.

[**0210**] Before, during, and after the online cash register's payment process, the payment enabler **240** may perform fraud detection analyses for detecting fraud by the buyer **110** or the seller **130**. Such fraud detection methods are known to those skilled in the art. Preventing fraud may further include authenticating the buyer **110** and the seller **130** before processing a transaction.

[**0211**] FIG. **12** is a logical flow diagram of an exemplary online cash register creation process **1200**. The process **1200** begins with step **1210**, in which the seller **130** provides the payment enabler **240** with identification information about the seller and requests a personal merchant account. In step **1220**, the payment enabler **240** creates the personal merchant account. The seller **130** can then access this account at any time through a link from the transaction facilitator **230**.

[**0212**] In step **1230**, the seller **130** registers a disbursement instrument with the payment enabler **240**. The payment enabler **240** can use this disbursement instrument for transferring payment to the seller **130** after receipt of the payment through the online cash register.

[**0213**] In step **1240**, the seller **130** selects the payment instrument types the seller wishes to offer through the online cash register. In step **1250**, the payment enabler **240** requests and receives underwriting assessment information for each payment instrument type selected by the seller in step **1240**.

[**0214**] In step **1260**, the payment enabler performs an underwriting assessment for each payment instrument type to determine whether to let the seller **130** offer that payment instrument type in the seller's online cash register. This underwriting assessment is based upon the underwriting assessment information received in step **1250**.

[**0215**] In step **1270**, the payment enabler **240** determines if the seller **130** has been approved for at least one payment instrument type. If the seller **130** has not been approved for at least one payment instrument type, then the "NO" branch is followed to step **1290**, and the seller is denied an online cash register. The process **1200** then ends in step **1295**.

[**0216**] Referring again to step **1270**, if payment enabler **240** determines that the seller **130** has been approved for at least one payment instrument type, then the "YES" branch is followed to step **1280**. In step **1280**, the payment enabler **240** permits the seller **130** to define additional charges to be added automatically by the online cash register to the sale price of any goods. Such additional charges may include sales tax, shipping charges, and handling charges.

[**0217**] As shown in step **1285**, the creation of the online cash register is complete. The payment enabler **240** will provide the online cash register to each buyer **110** who agrees to buy goods from the seller **130**. Through the online cash register, the buyer **110** can then pay the seller **130** through any payment method for which the seller **130** has been approved through the underwriting process. The process **1200** then ends in step **1295**.

[**0218**] The logical flow diagram shown in FIG. **12** illustrates one embodiment in which the payment enabler **240** performs an underwriting assessment for each payment instrument type. Alternatively, the payment enabler **240** may perform a single underwriting assessment prior to approving the seller **130** for a personal merchant account. In this

alternative embodiment, the personal merchant account is not created until the seller **130** is approved by the payment enabler **240**.

[**0219**] FIG. **13** is a logical flow diagram of an exemplary online cash register payment process **1300**. The process **1300** begins with step **1310**, in which the seller **130** agrees to sell goods to the buyer **110** for a specified price. This agreement is arrived at through the transaction facilitator **230**.

[**0220**] In step **1320**, the payment enabler **240** assigns a unique reference number to the transaction. This reference number enables the seller **130** to monitor the transaction using the backroom capabilities of the personal merchant account. The seller **130** can also use this reference number to refer to the transaction when contacting the intermediary **120** to discuss the transaction, such as during fraud investigations and chargebacks.

[**0221**] In step **1330**, the payment enabler **240** determines additional charges for the transaction. For example, the payment enabler **240** may calculate sales tax, shipping charges, and handling charges. In step **1340**, the payment enabler **240** displays the online cash register to the buyer **110**. The online cash register shows the price of the goods, the additional charges, and the total price. The online cash register also offers the buyer **110** a choice of payment instrument types to use for paying the total price.

[**0222**] In step **1350**, the buyer **110** selects one of the payment instrument types offered by the online cash register. The buyer **110** then provides the online cash register with registration information for registering a payment instrument corresponding to the payment instrument type selected. In step **1355**, the buyer **110** sends the online cash register a command to pay the seller **130**.

[**0223**] In response to the command of the buyer **110**, in step **1360**, the payment enabler **240** obtains an authorization for a transfer of money from the buyer through the payment instrument to a first intermediary bank account. The amount of money authorized covers the total price shown by the online cash register. In step **1370**, the payment enabler **240** orders the transfer of money from a second intermediary bank account through the disbursement instrument to the seller **130**. The amount of this transfer covers the amount due to the seller **130**. The process **1300** then ends in step **1380**.

1-31. (canceled)

32. In an online commerce system including a buyer computer operated by a buyer, a seller computer operated by a seller, and a transaction facilitator comprising a network-accessible transaction computer that facilitates commercial transactions between buyers and sellers, a method for effecting a payment from the buyer to the seller in connection with an online transaction utilizing a payment enabling system operated by a payment enabler, comprising the computer-implemented steps of:

displaying information corresponding to a plurality of selectable payment instrument types to a buyer via the buyer computer;

receiving from the buyer computer information corresponding to registration by the buyer of a payment instrument comprising a selection of one of the plurality of payment instrument types as to define a registered payment instrument;

receiving from the seller computer information corresponding to registration by the seller of a disbursement instrument;

receiving a command from the transaction computer for a transfer of a predetermined amount of money from the buyer to the seller;

effecting a transfer of at least the predetermined amount of money from the buyer through a selected registered payment instrument; and

effecting a transfer of a disbursement amount of money through the disbursement instrument to the seller.

33. The method of claim 32, further comprising the step of obtaining an authorization in connection with the selected payment instrument from a third party.

34. The method of claim 32, wherein the predetermined amount of money from the buyer includes an amount to cover the cost of the payment service provided by the payment enabler, and the disbursement amount of money to the seller comprises an amount of money from the buyer less the cost of the payment service.

35. The method of claim 32, wherein the payment instrument registration information includes a buyer-entered payment amount.

36. The method of claim 35, wherein the buyer-entered payment amount is at least the amount of the transaction between the buyer and the seller.

37. The method of claim 32, wherein the steps of displaying selectable payment instrument information and receiving payment instrument registration information occur prior to the transaction between the buyer and the seller in a static registration process.

38. The method of claim 32, wherein the steps of displaying selectable payment instrument information and receiving payment instrument registration information occur after the transaction between the buyer and the seller in a dynamic registration process.

39. The method of claim 32, further comprising the step of determining if goods of the transaction have been acceptably delivered prior to transferring the disbursement amount to the seller.

40. The method of claim 32, wherein the payment instrument comprises a cash deposit made by the buyer at a payment location associated with a cash deposit payment instrument processor.

41. The method of claim 40, wherein the registration of the payment instrument comprises:

prearranging a cash deposit of the predetermined amount to be made by the buyer in person at the payment location; and

receiving notification that the buyer has completed the cash deposit.

42. The method of claim 40, further comprising step of, in response to receipt of information from the cash deposit payment instrument processor that the required deposit amount has been received from the buyer at the deposit location, transferring funds received from the buyer to a bank account of an intermediary, prior to making payment to the seller.

43. The method of claim 32, wherein the payment instrument comprises a credit card.

44. The method of claim 42, wherein the registration of the credit card as a payment instrument includes the steps of:

receiving from the buyer registration information comprising a name, address, card association, card number, and card expiration date;

sending the registration information to a credit card processor for approval; and

in response to receipt of approval from the credit card processor, registering the credit card as a payment instrument usable by the buyer.

45. The method of claim 32, further comprising the step of obtaining an authorization from a third party in connection with the use of a selected payment instrument.

46. The method of claim 32, wherein the payment instrument comprises an electronic fund transaction.

47. The method of claim 45, wherein the registration by the buyer of the payment instrument comprises:

receiving from the buyer registration information comprising a name, a routing number for a bank account to be used in the electronic fund transaction, and an account number for the bank account;

sending the registration information to an electronic fund transaction processor; and

receiving a decision whether future electronic fund transaction requests will be accepted by the electronic fund transaction processor.

48. The method of claim 45, further comprising the step of obtaining an authorization for the transfer of the amount of money using the electronic fund transaction, and wherein the step of obtaining the authorization comprises:

requesting that an electronic fund transaction processor debit a bank account of the buyer using an automated clearing house; and

receiving a decision whether the request is accepted based upon decision factors including a current balance for the bank account of the buyer and the amount of money.

49. The method of claim 32, wherein the payment instrument comprises a paper check.

50. The method of claim 48, wherein the registration of the payment instrument comprises:

prearranging a check deposit to be made by the buyer through a paper check sent through a postal service; and

receiving notification from a paper check processor that the paper check has cleared.

51. The method of claim 32, wherein the plurality of payment instrument types are selected from the group including: flash cash deposit, credit card, electronic fund transaction, virtual private payment account, and paper check.

52. In an online commerce system including a buyer computer operated by a buyer, a seller computer operated by a seller, and a transaction facilitator comprising a network-accessible transaction computer that facilitates commercial transactions between buyers and sellers, a method for effecting a payment from the buyer to the seller in connection with an online transaction utilizing a payment enabling system operated by a payment enabler, comprising the computer-implemented steps of:

receiving from the buyer computer information corresponding to registration by a buyer of a cash deposit payment instrument;

receiving from the seller computer information corresponding to registration by a seller of a disbursement instrument;

receiving a command from the transaction computer for a transfer of a first predetermined amount of money from the buyer to the seller;

prearranging a cash deposit of a second predetermined amount to be made by the buyer in person at a deposit location associated with a cash deposit payment processor;

receiving notification from cash deposit payment processor that the buyer has completed the cash deposit of the second predetermined amount;

effecting a transfer of the first predetermined amount to an intermediary via the cash deposit payment processor; and

effecting a transfer of a disbursement amount of money through the disbursement instrument to the seller.

53. The method of claim 52, wherein the second predetermined amount includes an additional amount of money to cover the cost of the payment service provided by the payment enabler, and wherein the disbursement amount of money is an amount less than the second predetermined amount of money.

54. The method of claim 52, wherein the step of receiving payment instrument registration information occurs prior to the transaction between the buyer and the seller in a static registration process.

55. The method of claim 52, wherein the step of receiving payment instrument registration information occurs after the transaction between the buyer and the seller in a dynamic registration process.

56. The method of claim 52, further comprising the step of determining if goods of the transaction have been acceptably delivered prior to transferring the disbursement amount to the seller.

57. In an online commerce system including a buyer computer operated by a buyer, a seller computer operated by a seller, and a transaction facilitator comprising a network-accessible transaction computer that facilitates commercial transactions between buyers and sellers, a method for effecting a payment from the buyer to the seller in connection with an online transaction utilizing a payment enabling system operated by a payment enabler, comprising the computer-implemented steps of:

displaying information corresponding to a plurality of selectable payment instrument types to a buyer via the buyer computer;

receiving from the buyer computer information corresponding to registration by the buyer of one or more payment instruments comprising a selection of at least one of the plurality of payment instrument types as to

define a registered payment instrument, either before or after a transaction is agreed upon between buyer and seller;

receiving from the seller computer information corresponding to registration by the seller of at least one disbursement instrument, either before or after a transaction is agreed upon between buyer and seller;

receiving a command from the transaction computer for a transfer of a predetermined amount of money from the buyer to the seller indicating an agreed upon transaction between the buyer and the seller;

if required for a selected payment instrument, obtaining an authorization from a third party for the transfer of at least the predetermined amount of money from the buyer;

effecting a transfer of at least the predetermined amount of money from the buyer through a selected registered payment instrument; and

effecting a transfer of a disbursement amount of money through the disbursement instrument to the seller.

58. The method of claim 57, wherein the predetermined amount of money from the buyer includes an amount to cover the cost of the payment service provided by the payment enabler, and the disbursement amount of money to the seller comprises an amount of money from the buyer less the cost of the payment service.

59. The method of claim 57, wherein the payment instrument registration information includes a buyer-entered payment amount.

60. The method of claim 57, wherein the buyer-entered payment amount is at least the amount of the transaction between the buyer and the seller.

61. The method of claim 57, wherein the steps of displaying selectable payment instrument information and receiving payment instrument registration information occur prior to the transaction between the buyer and the seller in a static registration process.

62. The method of claim 57, wherein the steps of displaying selectable payment instrument information and receiving payment instrument registration information occur after the transaction between the buyer and the seller in a dynamic registration process.

63. The method of claim 57, further comprising the step of determining if goods of the transaction have been acceptably delivered prior to transferring the disbursement amount to the seller.

64. The method of claim 57, wherein the payment instrument comprises a cash deposit made by the buyer at a payment location associated with a cash deposit payment processor.

65. The method of claim 64, wherein the registration of the payment instrument comprises:

prearranging a cash deposit to be made by the buyer in person at the payment location; and

receiving notification that the buyer has completed the cash deposit.

66. The method of claim 57, wherein the payment instrument comprises a credit card.

67. The method of claim 66, wherein the registration of the credit card as a payment instrument includes the steps of:

receiving from the buyer registration information comprising a name, address, card association, card number, and card expiration date;

sending the registration information to a credit card processor for approval; and

in response to receipt of approval from the credit card processor, registering the credit card as a payment instrument usable by the buyer.

68. The method of claim 67, wherein the step of obtaining an authorization comprises obtaining the authorization from a third party credit card transaction processor.

69. The method of claim 57, wherein the payment instrument comprises an electronic fund transaction.

70. The method of claim 69, wherein the registration by the buyer of the payment instrument comprises:

receiving from the buyer registration information comprising a name, a routing number for a bank account to be used in the electronic fund transaction, and an account number for the bank account;

sending the registration information to an electronic fund transaction processor; and receiving a decision whether future electronic fund transaction requests will be accepted by the electronic fund transaction processor.

71. The method of claim 69, wherein the step of obtaining the authorization comprises:

requesting that an electronic fund transaction processor debit a bank account of the buyer using an automated clearing house; and

receiving a decision whether the request is accepted based upon decision factors including a current balance for the bank account of the buyer and the amount of money.

72. The method of claim 57, wherein the payment instrument comprises a paper check.

73. The method of claim 72, wherein the registration of the payment instrument comprises:

prearranging a check deposit to be made by the buyer through a paper check sent through a postal service; and

receiving notification from a paper check processor that the paper check has cleared.

74. The method of claim 57, wherein the plurality of payment instrument types are selected from the group including: flash cash deposit, credit card, electronic fund transaction, virtual private payment account, and paper check.

75. A system for effecting payment for goods purchased by a buyer using a buyer computer system from a seller using a seller computer system in an online transaction facilitated by a transaction facilitator, the transaction facilitator operating a network-accessible transaction computer that facilitates commercial transactions between buyers and sellers, comprising:

a payment enabling system;

an interface for data communications with the buyer computer;

an interface for data communications with the seller computer;

an interface for data communications with the transaction computer;

the payment enabling system receiving transaction information from the transaction computer in response to a proposed transaction between the buyer and the seller facilitated by the transaction facilitator, the transaction information including a transaction amount;

the payment enabling system displaying information corresponding to a plurality of selectable payment instrument types to a buyer via the buyer computer;

the payment enabling system receiving from the buyer computer information corresponding to registration by the buyer of a payment instrument comprising a selection of one of the plurality of payment instrument types as to define a registered payment instrument;

the payment enabling system receiving from the seller computer information corresponding to registration by the seller of a disbursement instrument;

the payment enabling system receiving a command from the transaction computer for a transfer of a predetermined amount of money from the buyer to the seller;

the payment enabling system effecting a transfer of at least the predetermined amount of money from the buyer through a selected registered payment instrument; and

the payment enabling system effecting a transfer of a disbursement amount of money through the disbursement instrument to the seller.

76. The system of claim 75, wherein the payment enabling system obtains an authorization in connection with the selected payment instrument from a third party.

77. The system of claim 75, wherein the predetermined amount of money from the buyer includes an amount to cover the cost of the payment service provided by the payment enabler, and the disbursement amount of money to the seller comprises an amount of money from the buyer less the cost of the payment service.

78. The system of claim 75, wherein the payment instrument registration information includes a buyer-entered payment amount.

79. The system of claim 78, wherein the buyer-entered payment amount is at least the amount of the transaction between the buyer and the seller.

80. The system of claim 75, wherein the displaying of selectable payment instrument information and receiving payment instrument registration information occurs prior to the transaction between the buyer and the seller in a static registration process.

81. The system of claim 75, wherein the displaying of selectable payment instrument information and receiving payment instrument registration information occurs after the transaction between the buyer and the seller in a dynamic registration process.

82. The system of claim 75, wherein the payment enabling system determines if goods of the transaction have been acceptably delivered prior to transferring the disbursement amount to the seller.

83. The system of claim 75, wherein the payment instrument comprises a cash deposit made by the buyer at a payment location associated with a cash deposit payment instrument processor.

84. The system of claim 83, wherein the registration of the payment instrument comprises:

prearranging a cash deposit of the predetermined amount to be made by the buyer in person at the payment location; and

the payment enabling system receiving a notification that the buyer has completed the cash deposit.

85. The system of claim 83, the payment enabling system, in response to receipt of information from the cash deposit payment instrument processor that the required deposit amount has been received from the buyer at the deposit location, transferring funds received from the buyer to a bank account of an intermediary, prior to making payment to the seller.

86. The system of claim 75, wherein the payment instrument comprises a credit card.

87. The system of claim 86, wherein the registration of the credit card as a payment instrument comprises:

the payment enabling system receiving from the buyer registration information comprising a name, address, card association, card number, and card expiration date;

the payment enabling system sending the registration information to a credit card processor for approval; and

in response to receipt of approval from the credit card processor, the payment enabling system registering the credit card as a payment instrument usable by the buyer.

88. The system of claim 75, the payment enabling system obtaining an authorization from a third party in connection with the use of a selected payment instrument.

89. The system of claim 75, wherein the payment instrument comprises an electronic fund transaction.

90. The system of claim 89, wherein the registration by the buyer of the payment instrument comprises:

the payment enabling system receiving from the buyer registration information comprising a name, a routing number for a bank account to be used in the electronic fund transaction, and an account number for the bank account;

the payment enabling system sending the registration information to an electronic fund transaction processor; and

the payment enabling system receiving a decision whether future electronic fund transaction requests will be accepted by the electronic fund transaction processor.

91. The system of claim 89, the payment enabling system obtaining an authorization for the transfer of the amount of money using the electronic fund transaction, and wherein obtaining the authorization comprises:

the payment enabling system requesting that an electronic fund transaction processor debit a bank account of the buyer using an automated clearing house; and

the payment enabling system receiving a decision whether the request is accepted based upon decision factors including a current balance for the bank account of the buyer and the amount of money.

92. The system of claim 75, wherein the payment instrument comprises a paper check.

93. The system of claim 92, wherein the registration of the payment instrument comprises:

the payment enabling system prearranging a check deposit to be made by the buyer through a paper check sent through a postal service; and

the payment enabling system receiving notification from a paper check processor that the paper check has cleared.

94. The system of claim 75, wherein the plurality of payment instrument types are selected from the group including: flash cash deposit, credit card, electronic fund transaction, virtual private payment account, and paper check.

95. A system for effecting payment for goods purchased by a buyer using a buyer computer system from a seller using a seller computer system in an online transaction facilitated by a transaction facilitator, a payment to the seller conditioned on receipt of a cash deposit by the buyer at a deposit location registered to a cash deposit payment instrument processor, the transaction facilitator operating a network-accessible transaction computer that facilitates commercial transactions between buyers and sellers, comprising:

a payment enabling system;

an interface for data communications with the buyer computer;

an interface for data communications with the seller computer;

an interface for data communications with the transaction computer;

an interface for data communications with at least one cash deposit payment instrument processor that issues cash deposit payment instruments;

the payment enabling system receiving from the buyer computer information corresponding to registration by a buyer of a cash deposit payment instrument;

the payment enabling system receiving from the seller computer information corresponding to registration by a seller of a disbursement instrument;

the payment enabling system receiving a command from the transaction computer for a transfer of a first predetermined amount of money from the buyer to the seller;

the payment enabling system prearranging a cash deposit of a second predetermined amount to be made by the buyer in person at a deposit location associated with a cash deposit payment processor;

the payment enabling system receiving notification from cash deposit payment processor that the buyer has completed the cash deposit of the second predetermined amount;

the payment enabling system effecting a transfer of the first predetermined amount to an intermediary via the cash deposit payment processor; and

the payment enabling system effecting a transfer of a disbursement amount of money through the disbursement instrument to the seller.

96. The system of claim 95, wherein the second predetermined amount includes an additional amount of money to cover the cost of the payment service provided by the payment enabler, and wherein the disbursement amount of money is an amount less than the second predetermined amount of money.

97. The system of claim 95, wherein the payment enabler receives payment instrument registration information prior to the transaction between the buyer and the seller in a static registration process.

98. The system of claim 95, wherein the payment enabler receives payment instrument registration information after the transaction between the buyer and the seller in a dynamic registration process.

99. The system of claim 95, wherein the payment enabler determines if goods of the transaction have been acceptably delivered prior to transferring the disbursement amount to the seller.

100. A system for effecting payment for goods purchased by a buyer using a buyer computer system from a seller using a seller computer system in an online transaction facilitated by a transaction facilitator, the transaction facilitator operating a network-accessible transaction computer that facilitates commercial transactions between buyers and sellers, comprising:

a payment enabling system;

an interface for data communications with the buyer computer;

an interface for data communications with the seller computer;

an interface for data communications with the transaction computer;

the payment enabling system displaying information corresponding to a plurality of selectable payment instrument types to a buyer via the buyer computer;

the payment enabling system receiving from the buyer computer information corresponding to registration by the buyer of one or more payment instruments comprising a selection of at least one of the plurality of payment instrument types as to define a registered payment instrument, either before or after a transaction is agreed upon between buyer and seller;

the payment enabling system receiving from the seller computer information corresponding to registration by the seller of at least one disbursement instrument, either before or after a transaction is agreed upon between buyer and seller;

the payment enabling system receiving a command from the transaction computer for a transfer of a predetermined amount of money from the buyer to the seller indicating an agreed upon transaction between the buyer and the seller;

if required for a selected payment instrument, the payment enabling system obtaining an authorization from a third party for the transfer of at least the predetermined amount of money from the buyer;

the payment enabling system effecting a transfer of at least the predetermined amount of money from the buyer through a selected registered payment instrument; and

the payment enabling system effecting a transfer of a disbursement amount of money through the disbursement instrument to the seller.

101. The system of claim 100, wherein the predetermined amount of money from the buyer includes an amount to cover the cost of the payment service provided by the payment enabler, and the disbursement amount of money to the seller comprises an amount of money from the buyer less the cost of the payment service.

102. The system of claim 100, wherein the payment instrument registration information includes a buyer-entered payment amount.

103. The system of claim 102, wherein the buyer-entered payment amount is at least the amount of the transaction between the buyer and the seller.

104. The system of claim 100, the payment enabling system displaying selectable payment instrument information and receiving payment instrument registration information prior to the transaction between the buyer and the seller in a static registration process.

105. The system of claim 100, the payment enabling system displaying selectable payment instrument information and receiving payment instrument registration information after the transaction between the buyer and the seller in a dynamic registration process.

106. The system of claim 100, the payment enabling system determining if goods of the transaction have been acceptably delivered prior to transferring the disbursement amount to the seller.

107. The system of claim 100, wherein the payment instrument comprises a cash deposit made by the buyer at a payment location associated with a cash deposit payment processor.

108. The system of claim 107, wherein the registration of the payment instrument comprises:

prearranging a cash deposit to be made by the buyer in person at the payment location; and

the payment enabling system receiving notification that the buyer has completed the cash deposit.

109. The system of claim 100, wherein the payment instrument comprises a credit card.

110. The system of claim 109 wherein the registration of the credit card as a payment instrument comprises:

the payment enabling system receiving from the buyer registration information comprising a name, address, card association, card number, and card expiration date;

the payment enabling system sending the registration information to a credit card processor for approval; and

in response to receipt of approval from the credit card processor, the payment enabling system registering the credit card as a payment instrument usable by the buyer.

111. The system of claim 109, wherein the obtaining of an authorization comprises obtaining the authorization from a third party credit card transaction processor.

112. The system of claim 100, wherein the payment instrument comprises an electronic fund transaction.

113. The system of claim 112, wherein the registration by the buyer of the payment instrument comprises:

the payment enabling system receiving from the buyer registration information comprising a name, a routing number for a bank account to be used in the electronic fund transaction, and an account number for the bank account;

the payment enabling system sending the registration information to an electronic fund transaction processor; and

the payment enabling system receiving a decision whether future electronic fund transaction requests will be accepted by the electronic fund transaction processor.

114. The system of claim 112, wherein obtaining the authorization comprises: the payment enabling system requesting that an electronic fund transaction processor debit a bank account of the buyer using an automated clearing house; and

the payment enabling system receiving a decision whether the request is accepted based upon decision factors including a current balance for the bank account of the buyer and the amount of money.

115. The system of claim 100, wherein the payment instrument comprises a paper check.

116. The system of claim 115, wherein the registration of the payment instrument comprises:

the payment enabling system prearranging a check deposit to be made by the buyer through a paper check sent through a postal service; and

the payment enabling system receiving notification from a paper check processor that the paper check has cleared.

117. The system of claim 100, wherein the plurality of payment instrument types are selected from the group including: flash cash deposit, credit card, electronic fund transaction, virtual private payment account, and paper check.

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