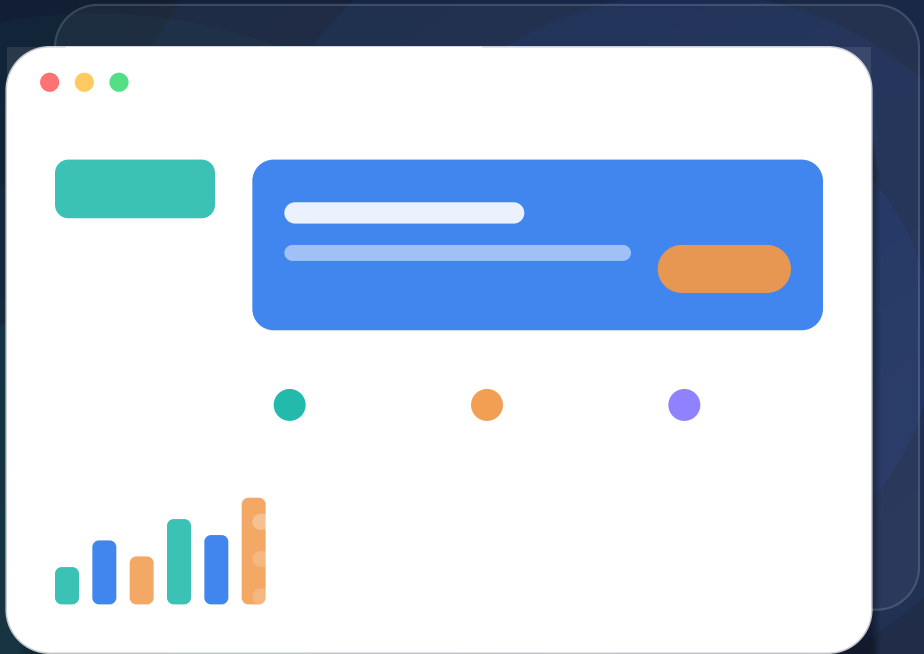


ONLINE PAYMENTS FOR BEGINNERS

WITH A FOCUS ON MALAWI



**A Practical Introduction with
Malawian Gateways and shop.mw**

PAY • SELL • SECURE • GROW

Online Payments for Beginners

A Practical Introduction with a Focus on Malawi

This guide is provided for general information, not legal, tax or financial advice. Payment providers, fees, licences and rules change often, so confirm current details directly with each provider and with the Reserve Bank of Malawi before relying on any of them.

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Introduction

Selling online is easy to imagine and surprisingly hard to get right. The goods may be ready and the website may look good, but unless customers can pay quickly, safely and in a way they trust, nothing is sold. Payments are the moment where an online business either works or does not.

This book is a plain-language introduction to online payments. It explains how money moves when someone pays online, what the main payment methods and gateways are, how to choose between them, and how to protect your business and your customers. It gives special attention to **Malawi**, where mobile money has become the main way many people pay, and where a small set of local gateways and platforms makes it possible for even a small shop to accept payments online.

A full chapter covers **shop.mw**, a Malawian platform that lets people create free websites and online stores, and that offers online payments through an optional integration with the PayChangu gateway.

Who this book is for

- Small business owners and sellers who want to accept payments online.
- Students and beginners curious about how online payments work.
- Web designers and developers integrating payments for clients.
- Anyone who buys online and wants to understand what happens behind the scenes.

How to use this book

- **New to payments?** Read Chapters 1 to 3 in order.
- **Selling in Malawi?** Go to Chapters 4 to 6.
- **Building a website or app?** Chapter 7 shows how an integration works.
- **Worried about fraud or fees?** See Chapters 8 and 9.
- **Ready to launch?** Use the checklist in Appendix A.

WARNING

Payment providers, fees, rules and product features change often. The Malawi details in this book come from the providers' own websites, public statements and industry guides gathered in October 2026, and they will age. Always confirm current fees, licences and requirements directly with the provider before you commit. This book is general information, not legal, tax or financial advice.

How Online Payments Work

When a customer taps "Pay", a surprising number of organisations take part in the next few seconds. Understanding who they are, and what each one does, makes every later decision easier.

The people and organisations involved

Party	Role
Customer (payer)	The person who pays, using a card, a mobile money wallet or a bank account
Merchant (seller)	The business or person receiving the payment
Payment gateway	The service that securely passes payment details from your checkout to the payment network and returns the result, like a card machine for the internet
Payment service provider (PSP)	A company that provides payment services to merchants, often bundling the gateway, processing and settlement in one package
Acquirer (acquiring bank)	The bank that receives card payments on the merchant's behalf
Issuer	The customer's bank or wallet provider, which holds their money and approves or declines the payment
Card network	Visa, Mastercard and others, which connect issuers and acquirers
Mobile money operator (MNO)	A telecom company that runs wallets, such as Airtel Money and TNM Mpamba in Malawi
Regulator	The authority that licenses and supervises payment providers, such as the Reserve Bank of Malawi

What happens in a card payment

1. **Checkout.** The customer enters card details on a secure payment page.
2. **Authorisation.** The gateway sends the details to the acquirer, through the card network, to the issuing bank. The issuer checks that the card is valid, has enough funds and does not look fraudulent, and replies approve or decline.
3. **Result.** The customer sees success or failure within seconds, and the merchant is told.
4. **Clearing.** Later, the transactions of the day are compared and the amounts due are calculated between banks.
5. **Settlement.** The money, minus fees, arrives in the merchant's bank account, often one to several days later.

What happens in a mobile money payment

Mobile money works a little differently. Instead of the merchant pulling money using a card number, the customer usually **approves** the payment themselves.

1. The customer chooses mobile money at checkout and enters their phone number.
2. The gateway asks the operator to request the payment.
3. The customer receives a **prompt on their phone** (or a USSD menu, or they dial a code) and enters their **secret PIN** to approve.
4. The operator moves the money from the customer's wallet to the merchant's wallet or the gateway's account.
5. The gateway tells the merchant the payment succeeded, and settles the funds, minus fees, to the merchant.

Pull payments and push payments

- **Pull** payments are initiated by the merchant using the customer's details, as with cards. They allow recurring charges, but carry more fraud risk.
- **Push** payments are initiated by the customer, who sends the money themselves, as with mobile money transfers and bank transfers. They are harder to reverse, and the customer has more direct control.

Key terms

- **Authorisation:** approval that funds are available.
- **Settlement:** the money actually arriving with you.
- **Refund:** returning money to a customer after a successful payment.
- **Chargeback:** a card payment reversed by the customer's bank after a dispute.
- **Reference:** a unique code identifying each transaction. You use it to match payments to orders.
- **Currency:** in Malawi, the kwacha (MWK). Some gateways also support US dollars.

TIP

Remember the difference between a payment being **approved** and the money being **settled**. A customer may see "paid" immediately, but the money may reach your account days later. Plan your cash flow around settlement, not authorisation.

Payment Methods Compared

Customers pay in many ways. The right mix for your business depends on who your customers are, what they own, and what they trust. A method that dominates in one country can be almost unused in another.

The main methods

Method	How it works	Strengths	Weaknesses
Debit and credit cards	Customer enters card details on a secure page	Familiar, works internationally, supports refunds and recurring billing	Lower ownership in many markets, chargebacks, higher fees, fraud risk
Mobile money	Customer approves a request on their phone using a PIN	Widely used, no bank account needed, fast, familiar to many customers	Needs mobile network access, scams targeting users, operator limits
Bank transfer or EFT	Customer sends money from their bank account	Suits large amounts, low fees	Slower to confirm, manual reconciliation
Digital wallets	Stored payment details, such as an app wallet	One-tap checkout	Depends on the wallet being available locally
QR codes	Customer scans a code to pay	Easy in person and on paper	Depends on the apps supported
Cash on delivery	Customer pays when the goods arrive	Familiar, no technology needed	Risk of refusals, cash handling, delays in getting paid

Method	How it works	Strengths	Weaknesses
Buy now, pay later	Customer pays in instalments	Raises order values	Limited availability, credit risk

Choosing for your customers

Start by asking who your customers are, not which method is most fashionable:

- **What do they already use?** In many African markets, mobile money is how people pay. Offering it can be the difference between a sale and no sale.
- **Do they have bank cards?** Many do not, or do not have cards enabled for online use.
- **How large are the payments?** Small purchases suit mobile money; large ones may suit bank transfers.
- **Where are the customers?** Overseas customers need cards or international wallets.
- **How trusted is online buying?** In markets where trust is still growing, offering cash on delivery or paying at pickup can help early on.

Offering more than one

Offering two or three methods gives customers a choice and recovers sales that would otherwise be lost when a customer's preferred method is missing. Too many options clutter the checkout and increase your admin. A typical small Malawian shop might offer mobile money first, cards second, and cash on delivery or pickup where practical.

Local and international options

- **Local methods** serve local customers, usually in local currency, and are often cheaper and better understood.
- **International methods** such as Visa and Mastercard cards let overseas customers pay, but cost more and may involve currency conversion.
- Many gateways combine both behind one integration, which makes life easier.

TIP

Check what **your** customers actually use by asking them, looking at how they already pay you offline, and starting with the one or two methods they use most.

Gateways, Providers and Aggregators

To accept payments online, you need a way to connect your website or shop to the payment networks. This is the job of a payment gateway or a payment service provider (PSP), and the choices can seem confusing at first.

Gateway, processor, acquirer and aggregator

Term	What it is
Payment gateway	The technology that captures payment details at checkout, sends them securely for approval and returns the result
Processor	The company that moves the transaction through the networks
Acquirer	The bank that holds the merchant account for card payments
Merchant account	A special bank account arrangement that allows a business to accept card payments directly
Aggregator or payment facilitator	A provider that lets many merchants accept payments under its own master account, so you can start without your own merchant account

For a small business, the practical choice is usually between:

- **An aggregator or PSP** with quick sign-up, simple integration and fees taken from each payment. This is the easiest start.
- **A bank merchant account** with a card acquirer. This often has stricter onboarding and paperwork, and may suit larger, established businesses.

- **Direct operator services**, such as mobile money merchant accounts from the telecom company. Useful when mobile money is your main channel.

Ways to accept payments

Approach	Description	Good for
Payment link	You create a link for an amount and send it by message or email. The customer opens it and pays	Sellers without a website, social media and chat sales
Plugin or app	A ready-made add-on for platforms such as WooCommerce or a store builder	Small online shops
Hosted checkout	Your site sends the customer to the provider's secure payment page, then back to you	Most websites. Simple and secure
Embedded or popup checkout	A payment form appears inside your page, built by the provider	A smoother look while keeping security with the provider
Direct API	Your own system collects the details and calls the provider's API	Custom apps and advanced needs. Greater responsibility
Point of sale (POS)	A card machine or app for in-person payments	Physical shops

How to choose a provider

Compare providers against the same list:

Question	Why it matters
Is it licensed or authorised by the central bank?	Protects you and your customers. See Chapter 4
Which payment methods does it support?	Match them to your customers

Question	Why it matters
What currencies does it support?	Local currency, and any others you need
What are the fees?	Per transaction, monthly, set-up, payout, refund, chargeback and currency conversion
How and when do I get paid?	Settlement timing and minimum payouts affect cash flow
How hard is onboarding?	Documents required and how long approval takes
How good are the tools?	Dashboard, reports, API, test mode and plugins
How reliable is it?	Uptime, support quality and reputation
How does it handle disputes and refunds?	You will need both sooner or later
Is support available when you need it?	Local time, language and responsiveness

What providers usually ask for

- **Business registration** documents, or ID for an individual seller.
- **Tax registration**, such as a taxpayer identification number.
- **Identification** of owners and directors (KYC, or know-your-customer).
- A **bank or mobile money account** for settlements.
- A **description of your business** and your website, with your products, prices and policies.

Providers check these things to follow anti-money-laundering and fraud rules, and approval can take days or weeks. Having your documents ready speeds things up.

TIP

Open a **test or sandbox** account first if the provider offers one. It lets you try the whole flow with fake money before you risk real transactions.

The Payments Landscape in Malawi

Malawi's payments scene looks different from Europe or North America. Many people have a mobile phone and a mobile money wallet but no bank card, and cash is still common. Understanding this shapes everything about how an online business should accept money.

Mobile money leads

Mobile money is the main digital payment method for most Malawians. The two big operators are **Airtel Money** and **TNM Mpamba**.

According to Reserve Bank of Malawi figures reported in the press, registered mobile money users reached about **20.1 million** by the end of June 2025, up from 17.6 million in March the same year, with more than 650,000 registered agents. An industry guide also describes mobile money as accounting for the bulk of digital transactions.

However, the same reports show a challenge: registrations are growing faster than real use. The share of accounts active in the previous 90 days fell from about 56 percent to about 52 percent in that quarter. Many accounts are dormant or used only for simple tasks such as buying airtime and sending cash. Reasons suggested include affordability, patchy connectivity, rising fraud and limited value for low-income users.

Cards and banks

- Banks offer internet banking, mostly used for high-value transactions, and are replacing older ATM cards with **Visa** and **Mastercard** debit and credit cards.

- Card use is concentrated in urban areas and among higher-income customers, and online card payments are still not widespread.
- Bank acquirers such as **Standard Bank Malawi** offer card acquiring and point-of-sale services, usually with stricter onboarding and higher costs than aggregators.
- National payment infrastructure supported by the Reserve Bank links banks, ATMs, points of sale and mobile money, including the NATSWITCH and MITASS systems.

Connectivity and trust

Online shopping depends on reliable internet and on trust. Government and industry figures from early 2024 put internet penetration near **28 percent** nationally, with much higher use in towns than in rural areas, and 4G coverage reaching about three-quarters of the population. Most people who go online do so on a phone. Online payments are described as still uncommon, and low financial literacy, few cash collection points, delivery limits and fear of scams all slow adoption.

The rules

Body or law	What it does
Reserve Bank of Malawi (RBM)	The central bank and main regulator of payment systems. It licenses payment service providers, mobile money and e-money issuers
Payment Systems Act	The law governing payment systems and providers, including licensing and protection of customer funds
Financial Intelligence Authority (FIA)	Oversees anti-money-laundering. Providers must report suspicious transactions
Malawi Communications Regulatory Authority (MACRA)	The main ICT and telecom regulator

Body or law	What it does
Electronic Transactions and Cyber Security laws	Cover e-commerce transparency, electronic contracts and cybercrime
Data Protection law	Safeguards for personal data. Check the current status and requirements
Malawi Revenue Authority (MRA)	Tax administration. Businesses need a taxpayer number, and VAT applies at the standard rate

WARNING

In November 2023 the Reserve Bank of Malawi publicly warned people to avoid unlicensed or unauthorised payment providers, noting that operating payment, mobile money, remittance or e-money services without authorisation is unlawful. Before you trust a payment provider with your customers' money, check that it is licensed or works through a licensed partner.

Currency and settlement

- Local settlement is normally in **Malawi kwacha (MWK)**.
- Some gateways also support **US dollars** for international customers.
- Settlement to local accounts commonly takes a few business days, and many providers set minimum payout amounts.
- Exchange-rate changes can affect pricing if you sell in dollars or import goods.

Opportunities and challenges

Opportunities	Challenges
Millions of mobile money wallets already exist	Many wallets are inactive or lightly used
Local gateways make it easy to accept mobile money online	Internet access and data costs are barriers, especially in rural areas

Opportunities	Challenges
Free online storefronts are available for small sellers	Trust in online sellers is still low in many places
Peak shopping from mid-December to early January	Delivery and logistics are uneven
Growing smartphone and 4G coverage	Fraud and scams, including impersonation of wallet providers

TIP

In Malawi, the winning strategy for most small sellers is simple: accept **mobile money** first, make the steps clear for customers who have never paid online, build trust with clear contact details, and add other methods later.

Malawian Gateways and Providers

A small number of providers make it possible to accept payments online in Malawi. This chapter introduces the ones that appear in public sources, what is known about each, and the questions to ask before you choose. It is a starting list, not an endorsement, and not a complete directory.

WARNING

Information here comes from provider websites, news reports and industry guides, and was collected in October 2026. Licences, features and fees change. Verify the provider's licence status with the Reserve Bank of Malawi, and get fees and terms in writing before you sign up.

Mobile money operators

- **Airtel Money** and **TNM Mpamba** are the two leading mobile money services, and both are named by the Reserve Bank as authorised payment providers. They offer wallets for customers and services for merchants.
- Most online gateways connect to them, so a customer can pay from their wallet at checkout.
- You can also approach each operator directly for merchant services, which may suit a business that mainly takes in-person or high-volume mobile money payments.

Local and regional gateways

Provider	What is publicly known	Questions to ask
PayChangu	A Malawian online payments company. Its developer documentation describes accepting payments from cards, bank accounts and mobile money wallets, with hosted and embedded checkout, a direct API, payouts to bank and mobile wallets, bill payments and plugins for platforms such as WooCommerce and WHMCS. Integrated with shop.mw as an optional add-on	Current fees, settlement time, onboarding requirements, supported methods and currencies (the API accepts MWK and USD)
Malipo	A Malawian payment service offering a developer API and payments from Airtel Money, TNM Mpamba and bank accounts, with banks such as National Bank and FDH Bank named on its site. Its site states a fee of 3 percent per successful transaction, part of which goes to the network operator or bank	Whether the published fee is current, what is included, and payout terms
pawaPay	A mobile money payments company that received a payment service provider licence from the Reserve Bank of Malawi in August 2024, and reported processing about K199.1 billion in transactions in Malawi between July 2023 and July 2024	Who it serves (often larger platforms), operators supported and pricing
DPO Group	An African payment company offering cards, mobile money and bank transfers, listed as available in Malawi in store-platform guides	Local settlement, fees and onboarding in Malawi
Flutterwave	A pan-African payments company offering cards and mobile money, described in industry guides as an option for Malawi	Malawi coverage, currencies and local licensing

Provider	What is publicly known	Questions to ask
Bank acquirers	Banks such as Standard Bank Malawi offer card acquiring and point-of-sale services	Account requirements, set-up costs, chargebacks and settlement

Other providers exist and new ones appear. Search for current options, read recent reviews, and check licensing for each.

Typical costs

Fees differ by provider, payment method and business size. Industry guides give these rough ranges for Malawi, which you should treat as indicative only:

Cost	Rough range reported
Card payments	About 2.5 to 4 percent per transaction
Mobile money payments	About 1.5 to 2.5 percent per transaction in one guide; at least one local gateway publishes 3 percent
Payouts or withdrawals	A flat fee per payout, sometimes in the hundreds to low thousands of kwacha
Set-up	Free for many aggregators; a fixed fee at some providers or banks
Chargebacks	A fixed fee per dispute on card payments
Currency conversion	A markup of a percentage point or more over the exchange rate

These numbers are not consistent across sources, so the only reliable figure is the one in your provider's current price list or contract.

Choosing for a Malawian business

- 1. Start with your customers.** If most use Airtel Money and TNM Mpamba, make sure your gateway supports both.

2. **Check the licence.** Confirm the provider is authorised, or operates with a licensed partner.
3. **Compare total cost,** including fees on every transaction and payout.
4. **Ask about settlement** speed, minimum payouts and where the money lands (bank account or wallet).
5. **Test the experience** yourself as a customer, on a phone, on a slow connection.
6. **Check support.** Can you reach a real person in Malawi when a payment goes missing?
7. **Plan for growth.** Can it grow with you, with an API, reports and multiple methods?

Without a website: payment links and requests

A seller who works through WhatsApp, Facebook or in person can often use **payment links** or mobile money merchant numbers to take payments. The seller creates a request, the customer pays, and the seller sees confirmation in the provider's dashboard. This is a very low-cost way to start.

TIP

Keep your business money separate from personal money. Use a dedicated business account or wallet for settlements, which makes bookkeeping, tax and trust much easier.

shop.mw: Free Stores and Online Payments

shop.mw is a Malawi-focused online platform. Its homepage describes it as an all-in-one platform that combines a search engine with free websites, online stores, groups, classified listings and advertising. For a small seller, it offers a way to get an online presence in Malawi without needing technical skills or buying web hosting.

WARNING

This chapter is based on the public pages of shop.mw and its published terms, read in October 2026. The platform may change. Features, prices and rules described here should be confirmed on the site itself before you rely on them.

What shop.mw offers

- **Free websites and stores** on a subdomain of the form `yourname.shop.mw`, created with web forms and theme templates.
- **Search and discovery:** a search engine covering Malawi and beyond, with trending topics.
- **Classified listings and posts:** people advertise vehicles, phones, houses and other items, with contact numbers for calls or WhatsApp.
- **Groups:** community and business groups in Malawian towns and cities, some of which are paid.
- **Advertising and sponsored placements** for businesses that want more reach.

Who runs it

The platform's terms state that shop.mw is operated by **JADE IT**, described as a registered company based in Blantyre, Malawi, and that the terms are governed by the laws of the Republic of Malawi, with disputes handled by Malawian courts.

How stores work, and their limits

A shop.mw store is a **hosted, template-based site**, not a general web hosting account. According to the terms:

- Stores operate within the features and technical limits of the shop.mw builder and the theme you choose.
- There is **no cPanel, SSH, FTP or custom server-side scripting**.
- Subdomains are managed by the platform and cannot be pointed to external hosts.

This makes shop.mw simple and quick to use, but it is not the right tool if you need a custom-built application. Larger businesses with special requirements may outgrow it and move to their own site later.

Accepting payments through shop.mw

The standard store is free. Online payments are provided through an **optional integration with PayChangu**, which the terms describe as a premium add-on. Important points from the terms:

- The premium add-ons are priced at **MWK 50,000 per year**, and the checkout shows any extra taxes or third-party charges.
- shop.mw **does not guarantee that payments will be approved**. PayChangu has its own eligibility requirements, which you must satisfy.
- Sellers **must not claim that their store accepts online payments** until the feature has actually been enabled for them.
- For paid groups, the default revenue split is 90 percent to the group owner and 10 percent to shop.mw, with processor fees taken from

shop.mw's share. The minimum payout and the processing time for these payouts are set out in the terms (at the time of writing, a minimum of MWK 50,000 and 7 to 14 working days).

Seller responsibilities

The terms place clear duties on sellers. In summary, sellers must:

- Own, or have full legal permission to publish and sell, everything they list.
- Not impersonate other brands, or imitate banks and mobile money services, or collect people's login details.
- Not run fake giveaways, pyramid schemes or advance-payment scams.
- Handle their **own taxes**. shop.mw does not withhold them unless the law requires it.
- Make sure advertising complies with Malawian law.

Setting up a shop: a practical outline

1. **Plan.** List your products, prices in kwacha, photos, contact details, delivery areas and refund policy.
2. **Create your free site** on shop.mw and choose a clear, simple subdomain related to your business name.
3. **Pick a theme** and add your products, with honest descriptions and good photographs.
4. **Explain how to order and pay.** Until online payment is enabled, say clearly how customers order, for example by phone or WhatsApp, and how they pay.
5. **Apply for the payment add-on** if you want online payments, and prepare your business and identity documents for the provider's checks.
6. **Test it yourself.** Once enabled, make a small real or test payment and check that it shows in your dashboard.

7. **Announce it** only after payments work, and share your shop link on social media, WhatsApp and with local groups.

Buying safely from shop.mw sellers and listings

Classified listings connect strangers, so buyers need to be careful, on shop.mw and on any similar site:

- **Meet in a safe public place** and inspect goods before you pay, where possible.
- **Be wary of advance payments** to people you do not know, especially for "too good" prices.
- **Check the seller's profile**, contact details and any reviews or history.
- **Never share your mobile money PIN** or one-time codes with anyone, including people claiming to be from a wallet provider.
- **Keep evidence** such as messages, receipts and transaction references.

Tips for sellers on shop.mw

- Use clear photos, accurate descriptions and honest stock levels.
- Reply quickly to messages. Fast replies build trust.
- State your delivery and refund terms in plain language.
- Show a phone number and a physical location where customers can find you.
- Keep records of every sale for tax and bookkeeping.
- Mention in your listings only those payment methods that currently work.

TIP

If the details you need (such as who to contact for support or exactly how your payment add-on is approved) are not clear from the site, ask shop.mw directly before you pay for the add-on. Get the answers in writing.

Integrating Payments into a Website

If you are building your own site or app, or helping a client, you will connect it to a gateway through its **API**. The details differ between providers, but the pattern is very similar, and understanding it makes any integration easier. This chapter uses PayChangu's published documentation as a worked example, since it is a local Malawian gateway.

The hosted checkout pattern

1. **The customer clicks Pay.** Your server creates a payment request with the amount, currency and a unique reference, and sends it to the gateway.
2. **The gateway replies** with a checkout link.
3. **You send the customer to that link.** They choose a method and pay on the provider's secure page.
4. **The gateway notifies you**, by sending the customer back to your site and by calling your server (a **webhook**).
5. **Your server verifies the payment** by asking the gateway directly. Only then do you fulfil the order.

The most important rule is the last one. **Never trust the customer's browser alone** to tell you a payment succeeded. A browser can be tricked, and a redirect can be faked.

Step 1: Get your keys

In the provider's dashboard you will find **test** and **live** API keys. Use test keys while building. The **secret key** must stay on your server and out of any public code, web page or repository.

Step 2: Create the payment

PayChangu's standard checkout takes a POST request to its payment endpoint, authenticated with your secret key as a bearer token. Here is a simplified example in Python:

```
import requests

SECRET = "YOUR_SECRET_KEY"    # load from environment

payload = {
    "amount": 5000,
    "currency": "MWK",
    "tx_ref": "order-10021",    # unique per payment
    "callback_url": "https://shop.example/pay/callback",
    "return_url": "https://shop.example/pay/cancelled",
    "email": "customer@example.com",
}
r = requests.post(
    "https://api.paychangu.com/payment",
    json=payload,
    headers={"Authorization": f"Bearer {SECRET}",
            "Accept": "application/json"},
)
url = r.json()["data"]["checkout_url"]
```

The reply contains a `checkout_url`. Redirect the customer there. The `tx_ref` must be unique for each transaction, and you will use it to match the payment to the order. Treat the field names above as an illustration and confirm the current ones in the official documentation.

Step 3: Handle the customer's return

- On success, the customer is sent back to your **callback URL** with the transaction reference.
- If they cancel or fail repeatedly, they are sent to your **return URL**.
- Show a friendly page either way, but do not mark the order as paid yet.

Step 4: Verify the transaction

Ask the gateway for the truth from your server. In PayChangu's case, this is a GET request using the transaction reference:

```
v = requests.get(
    f"https://api.paychangu.com/verify-payment/{tx_ref}",
    headers={"Authorization": f"Bearer {SECRET}"},
).json()

d = v["data"]
paid = (d["status"] == "success"
        and d["currency"] == "MWK"
        and d["amount"] >= expected_amount)
```

Check that the reference matches your order, that the status is successful, that the currency is what you expected, and that the amount paid is at least the amount you charged. If any check fails, treat the order as unpaid.

Step 5: Use webhooks, and verify them

A **webhook** is a message that the gateway sends to a URL on your server when something happens, such as a successful payment. It works even if the customer closes their browser before returning to your site. With PayChangu, you set the webhook URL in the dashboard, and each request carries a **signature**, which is an HMAC (SHA-256) of the raw request body made with your webhook secret. Check it before you trust the message:

```
import hmac, hashlib

def is_valid(raw_body, signature, secret):
    digest = hmac.new(secret.encode(), raw_body,
                      hashlib.sha256).hexdigest()
    return hmac.compare_digest(digest, signature)
```

- Compute the signature over the **raw** request body, not re-formatted data.

- Compare using a **constant-time** function.
- Confirm in testing how the signature is encoded, since documentation may not say.
- Respond with **HTTP 200** quickly. The gateway retries failed deliveries a limited number of times, so your handler must cope with the same event arriving more than once.
- Still call the verify endpoint before fulfilling the order, and run a background job that re-checks pending payments.

Good engineering habits

- **Idempotency.** Make sure processing the same payment twice does not ship the goods twice.
- **Store the reference** and status for every attempt, including failures.
- **Log carefully** without recording secrets or full card numbers.
- **Use HTTPS** for every page and every callback URL.
- **Handle pending payments.** Mobile money approvals can take a minute, or fail if the customer ignores the prompt.
- **Test failure cases** as well as success: cancel, timeout, wrong PIN, insufficient funds.
- **Keep secrets out of code.** Use environment variables or a secrets store.

No-code and low-code options

- **Plugins** for platforms such as WooCommerce connect a store to a gateway with a form and a few keys.
- **Payment links** require no development at all.
- **Hosted store builders**, such as the shop.mw add-on in Chapter 6, handle the integration for you.

TIP

Read the provider's current documentation before you code. Examples in any book, including this one, can fall out of date, and small differences in field names will stop an integration from working.

Security, Fraud and Compliance

Money attracts criminals, so a payment system must be built with security in mind from the start. Fortunately, the largest risks are well understood, and a small business can handle most of them with sensible habits.

Keep card data away from your systems

The card industry's security standard is **PCI DSS**. It sets strict rules for anyone who stores, processes or transmits card details. The easiest way to stay safe is to **never touch card details at all**:

- Use a **hosted or embedded checkout** so the customer types card details on the provider's secure page.
- **Never store** full card numbers, security codes (CVV) or PINs. Never ask for them by message or email.
- Make sure every page of your site uses **HTTPS**.
- Choose providers that are certified to the relevant standards.

Protect your keys and your accounts

- Keep **secret API keys** on the server only. Never place them in a web page, a mobile app or a public code repository.
- **Rotate keys** immediately if you think one has leaked.
- Use **strong, unique passwords** and **two-factor authentication** on your provider dashboard, email and website admin.
- Give staff **only the access they need**, and remove access when they leave.
- Keep your website software and plugins **updated**.

Common scams in mobile money and online sales

Scam	How it works	Protection
Fake confirmation message	A scammer shows or sends a forged "payment received" SMS and collects the goods	Check your dashboard or wallet balance , never just an SMS or screenshot
Reversal scam	The caller says they sent money by mistake and asks you to send it back	Verify in your wallet. Refund only through official channels
Impersonating the provider	Callers or messages claim to be from Airtel, TNM, a bank or a gateway and ask for a PIN or code	Providers never ask for your PIN. Hang up and call the official number
Advance-fee scams	A seller or buyer asks for money first and then disappears	Avoid prepaying strangers. Use trusted payment methods and meet safely
Phishing	Fake websites or messages copy a real brand to steal logins	Check web addresses, and open dashboards by typing the address yourself
SIM swap	A criminal takes over a phone number to reach a wallet	Protect your SIM, use a PIN, and report loss of signal quickly
Card fraud	Stolen cards used at online shops, leading to chargebacks	Use fraud tools from your provider, and watch for unusual orders

WARNING

Never share your mobile money PIN, a one-time code or your password with anyone, for any reason. No genuine bank, mobile operator or gateway will ask for them.

Spotting risky orders

- Unusually large orders from new customers, especially for easily resold goods.
- Mismatched names, delivery addresses or phone numbers.
- Pressure to ship urgently or to accept an unusual payment arrangement.
- Several failed payments followed by a success on a different method.
- Requests to refund to a different account from the one that paid.

Refunds and disputes

- Publish a clear **refund and returns policy** before you take your first payment.
- Refund to the **same method** the customer used wherever possible.
- Respond to disputes promptly, with proof such as the order, delivery confirmation and messages.
- **Chargebacks** (card disputes) can cost you the money, the goods and a fee. Clear descriptions, good receipts and responsive support reduce them.

Legal and regulatory duties

- **Know your customer and your provider.** Providers must follow anti-money-laundering rules, and will ask you for documents.
- **Register your business** and your tax details with the relevant authorities, and keep records of sales.
- **Protect personal data.** Collect only what you need, keep it safe, and publish a privacy policy that follows Malawi's data protection and electronic transactions rules. Check the latest legal requirements.

- **Be transparent.** Show prices clearly, state delivery costs and terms, and give accurate descriptions.
- **Do not run an unlicensed payment service.** Collecting and moving other people's money can require a licence from the central bank. Use licensed providers.

TIP

Make it a rule: **money is real only when it shows in your provider dashboard or wallet.** Messages, screenshots and phone calls can all be faked.

Fees, Pricing and Settlement

Payments are not free. Every method has a cost, and small percentages add up. Understanding fees helps you price correctly, protect your profit and compare providers fairly.

Where the money goes

Fee	What it is
Transaction fee	A percentage of each sale, sometimes plus a fixed amount, charged on every successful payment
Set-up or onboarding fee	A one-time charge to open an account, charged by some providers
Monthly or annual fee	A regular charge, such as a platform add-on fee
Payout or withdrawal fee	A charge for moving your balance to your bank or wallet
Refund fee	Some providers charge for refunds, or do not return the original fee
Chargeback fee	A fixed charge when a card payment is disputed
Currency conversion	A markup when the customer's currency differs from your settlement currency
Tax on fees	Value-added tax and other taxes may apply to the fees themselves

A worked example

Suppose you sell a product for **MWK 50,000** and your provider charges **3 percent** per successful payment.

Item	Amount (MWK)
Customer pays	50,000
Provider fee (3 percent)	1,500
You receive before payout fees	48,500
Payout fee (example flat fee)	500
Net to your account	48,000

If your product earned a profit of MWK 5,000 before payment costs, the fees have taken about 40 percent of that profit. Always do this calculation **before** you set your prices. Small profit margins and high payment fees do not mix.

Who pays the fee?

- **You absorb it.** Prices stay simple and customers pay what they see. Build the cost into your margin.
- **You pass it on** with a surcharge. Some providers or local rules limit this, and customers dislike surprise extras.
- **You add it to the price.** A small, uniform increase to every item avoids a separate line on the bill.

Settlement: when you get paid

- Payments may be **settled** to your bank account or wallet after one to several business days.
- Some providers hold funds until a **minimum payout** amount is reached.
- Mobile money collections can be quicker, but depend on the provider's schedule.

- New merchants often face **reserves or delays** until the provider trusts the account.

These timings affect cash flow. If you must pay suppliers within three days but your money arrives in seven, you need a cash buffer.

Reconciliation

Reconciliation means matching your orders with your payments and your bank statement, so that every sale and every fee is accounted for.

1. Export the provider's transaction report every day or week.
2. Match each transaction to an order using the unique reference.
3. Check that fees and payouts match the provider's price list.
4. Investigate anything unmatched, such as payments without orders or orders marked paid without money.
5. Record the results in your accounts.

Tax basics for online sellers

- Register your business and obtain a **taxpayer identification number**.
- Charge and account for **value-added tax (VAT)** if you are required to register, at the rate set by law.
- Keep invoices, receipts and payment records for your tax returns.
- Remember that payment fees are a deductible business cost in many cases. Check with an accountant.
- Platforms such as shop.mw state that sellers are responsible for their own taxes.

TIP

Ask every provider for a one-page price list and a worked example with your typical order size. Compare the **final amount you would receive**, not just the headline percentage.

Designing a Checkout

Customers Trust

A good payment system is useless if customers abandon it halfway through. Studies of online shops across the world find that a large share of shoppers who start a checkout never finish. Many of the reasons are fixable.

Why customers abandon checkout

- Unexpected costs such as delivery or fees appear late.
- They are asked to create an account before buying.
- The checkout is slow, confusing or too long.
- Their preferred payment method is not offered.
- They do not trust the site with their money.
- A payment fails and they do not know what to do next.

Principles for a good checkout

1. **Show the full price early**, in kwacha, including delivery and any fees.
2. **Keep it short**. Ask only for what you need, and allow buying without an account.
3. **Work well on a phone**. Most Malawian shoppers use mobile devices, often on slow connections. Use large buttons, small pages and few images in the payment steps.
4. **Offer the payment methods your customers use**, with recognisable names and logos.

5. **Explain each payment method.** For mobile money, say exactly what will happen: "You will get a prompt on your phone. Enter your PIN to approve the payment."
6. **Give clear feedback.** Show what is happening, what succeeded and what failed, in simple words.
7. **Confirm the order** with an on-screen message and an SMS or email that includes the order number, items, amount and how to reach you.

Building trust

- Show your **business name, phone number, address and email** clearly.
- Publish **delivery times, a refund policy and terms** in plain language.
- Display **real customer reviews** and photos of real products.
- Use **HTTPS**, and show well-known payment logos only for methods you actually offer.
- Reply quickly to questions by phone, WhatsApp or message.
- Make it easy to **contact you** if a payment goes wrong.

Handling failed and pending payments

Payments fail for ordinary reasons: the customer lacks funds, enters the wrong PIN, loses signal, or ignores the prompt. Plan for them:

- Explain the likely reason and offer another try or another method.
- For mobile money, tell customers how long they have to approve, and what to do if no prompt arrives.
- Keep the order open for a short time so the customer can retry.
- If money has left the customer's account but the order is not confirmed, give them a reference and a contact number so you can resolve it quickly.

- Check pending payments regularly, and do not ship goods until payment is verified.

Offering alternatives

Where online trust is still growing, offering **cash on delivery**, **pay on pickup** or **pay at a branch** can bring in customers who are not yet ready to pay online. Treat it as a stepping stone, track how often orders are refused, and nudge customers towards digital payment over time with small incentives.

Testing your checkout

1. Make a small **real payment** with each method on your own phone.
2. Try it on a **slow connection** and an older phone.
3. Ask a friend who has never used your shop to buy something while you watch silently.
4. Test cancelling, failing and retrying.
5. Confirm that confirmations arrive and that the money shows in your dashboard.

TIP

Print your own checkout steps on a card and walk a real customer through them. Where they hesitate, your customers will hesitate too.

Launching and Growing

You now have the pieces. This chapter puts them into a simple plan from first idea to a trustworthy, growing online business.

A step-by-step launch plan

1. **Define your business and customers.** What do you sell, to whom, and how do they usually pay?
2. **Register your business** and obtain your tax details.
3. **Open a separate business bank or wallet account** for settlements.
4. **Choose your platform.** A free store on a platform like shop.mw, a plugin on your own site, or a custom build.
5. **Choose your provider**, checking the licence, fees, settlement and support (Chapter 5).
6. **Complete onboarding** and wait for approval before you advertise payments.
7. **Connect and test** every payment method in test mode, then with small real payments.
8. **Publish your policies:** prices, delivery, refunds, privacy and contacts.
9. **Soft launch** to friends and a few customers, and fix what you learn.
10. **Announce** through social media, WhatsApp, local groups and word of mouth.

After launch

- **Reconcile** payments weekly, or daily when volumes are high.
- **Review fees and failures.** Are some methods failing more often? Are fees eating your margin?
- **Ask customers for feedback** on the payment experience.
- **Watch for fraud** and respond to disputes quickly.
- **Keep software and keys secure**, and review who has access.
- **Keep up with rules and providers.** Fees, licences and features change.

Growing

- Add a **second payment method** when your first is working well.
- Offer **delivery tracking** and clear order updates to build trust.
- Use **payment links** to sell through chat and social media.
- Plan for the **busy season**, since shopping rises around mid-December to early January. Make sure stock, delivery and payments can cope.
- Consider **payouts** to suppliers or staff through your provider if you handle many payments.
- Move to a **custom site** or more advanced platform if your needs outgrow a simple store.

Where to learn more

- The **Reserve Bank of Malawi** publishes notices, regulations and lists of authorised providers.
- Each provider's **developer documentation** is the most current guide to integration.
- Industry reports and news from Malawian and African fintech media explain trends.

- Business support organisations and chambers of commerce can help new online sellers.

Habits of successful online sellers

- **Be honest.** Accurate descriptions and honest delivery times build a reputation that no advertising can buy.
- **Be responsive.** Fast replies win customers.
- **Be careful.** Verify every payment before you ship.
- **Be organised.** Keep records, reconcile often and know your numbers.
- **Be patient.** Trust grows with every smooth transaction.

TIP

The best payment system is the one your customers understand, trust and can use on the phone they already own. Start simple, make it reliable, and improve step by step.

Appendix A: Online Payments Checklist

Before you start

1. **Know your customers** and the payment methods they use.
2. **Register your business** and get your taxpayer number.
3. **Open a business account** or wallet for settlements.
4. **Prepare documents:** identification, registration, and a description of your business.
5. **Calculate your margins** after payment fees.

Choosing a provider

1. **Confirm the licence** with the Reserve Bank of Malawi, or the licensed partner.
2. **Compare fees** for transactions, payouts, refunds and chargebacks.
3. **Check settlement** timing and minimum payouts.
4. **Check supported methods** and currencies.
5. **Read reviews** and test support responsiveness.
6. **Get the terms in writing.**

Setting up

1. **Use test mode** first, with test keys.
2. **Keep secret keys** on the server only.
3. **Enable HTTPS** on every page.
4. **Verify every payment** with the provider before you fulfil an order.
5. **Verify webhook signatures** and handle repeats safely.

6. **Turn on two-factor authentication** for dashboards and email.
7. **Publish** prices, delivery, refund, privacy and contact details.

Before announcing

1. **Make a small real payment** with every method.
2. **Test failure cases:** cancel, wrong PIN, timeout.
3. **Confirm** receipts, order messages and dashboard entries.
4. **Check mobile usability** on a slow connection.
5. **Only state that you accept online payments** once the feature is truly enabled.

Every week

1. **Reconcile** orders, payments and payouts.
2. **Review failed and pending payments.**
3. **Review disputes** and suspicious orders.
4. **Keep records** for tax.

Appendix B: Glossary

Acquirer. The bank that receives card payments on behalf of a merchant.

Aggregator / payment facilitator. A provider that lets many merchants accept payments under one master account.

API. Application programming interface: a way for software systems to talk to each other.

Authorisation. The issuer's approval of a payment.

Callback URL. The address on your site where the customer or the gateway sends information after a payment.

Chargeback. A card payment reversed by the customer's bank after a dispute.

Checkout. The page or flow where a customer pays for an order.

Clearing. The process of calculating what each bank owes after transactions.

Gateway. The technology that securely passes payment details to the payment network and returns the result.

HMAC. A method of signing a message with a secret key so the receiver can prove it is genuine.

Idempotency. Handling the same request twice with the same result, without duplicating the effect.

Issuer. The customer's bank or wallet provider.

KYC. Know your customer: identity checks required by providers and regulators.

Merchant account. A bank arrangement that lets a business accept card payments.

Mobile money. A wallet service run by a telecom operator, used to send, receive and pay money by phone.

MWK. The code for the Malawi kwacha.

PCI DSS. The security standard for organisations that handle card details.

PIN. A secret number used to approve payments.

Payment link. A web address that takes a customer to a page to pay a specific amount.

PSP. Payment service provider: a company offering payment services to merchants.

Reconciliation. Matching orders, payments and bank records to make sure they agree.

Refund. Returning money to a customer after a completed payment.

Sandbox / test mode. A safe environment for trying payments with fake money.

Settlement. The transfer of money, after fees, to the merchant.

USSD. A service that lets phones use text menus by dialling codes such as *123#, without internet.

Webhook. An automatic message a provider sends to your server when an event happens.

Appendix C: Sources

The Malawi-specific facts in this book were gathered from the following public sources in October 2026. Provider pages change, so check them directly for the latest details.

- [shop.mw](#) and its published [Terms](#): platform description, operator (JADE IT), store limits, PayChangu add-on, seller rules.
- [PayChangu developer documentation](#), including [Standard Checkout](#), [Transaction verification](#) and [Webhooks](#).
- [Malipo: Payment solutions and services](#).
- [Malawi Broadcasting Corporation: pawaPay secures mobile money licence from the Reserve Bank of Malawi](#) (August 2024).
- [The Nation: RBM moves to curb unlicensed payment service providers](#) (November 2023).
- [allAfrica: Malawi mobile money hits 20 million but usage crumbles](#) (November 2025), citing Reserve Bank of Malawi data.
- [U.S. International Trade Administration: Malawi Country Commercial Guide, e-commerce](#).
- [PayAtlas: Accepting payments in Malawi](#) (industry guide, updated January 2026; fees and provider lists are indicative and not independently verified).
- [CartDNA: Shopify payment methods in Malawi](#).