

# A Beginner's Guide to Apple Pay

When Apple Pay was launched in October 2014, some critics were skeptical-- would people be comfortable with smartphone transactions at retail locations? Would retailers embrace it? Would banks? While the early stages had their hiccups, **Apple Pay has become mainstream** and is supported by countless banks and retailers today through multiple devices, including the Apple Watch. Let's dig a little deeper into using Apple Pay on the Apple Watch.

## How Apple Pay Works

The principle idea behind Apple Pay is that it provides one-touch access to your selected credit cards for in-person retail purchases.

From a convenience perspective, it's all about flexibility and mobility, **freeing you from the tether of a physical credit card.**



### NEAR-FIELD COMMUNICATION:

To connect Apple Pay with a payment terminal, a special chip known as an NFC (Near-Field Communication) chip is **built into your Apple device.** This allows for transactions when your device is within an inch of a terminal.

### APPLE ID:

Contrary to popular belief, using Apple Pay does not store credit card information on your iPhone or Apple Watch. Instead, **your credit card info is saved in your Apple ID.** When you use Apple Pay, encrypted data is sent with tracking identification based on your Apple ID, which can only be decrypted by the bank.

### CONFIRMATION:

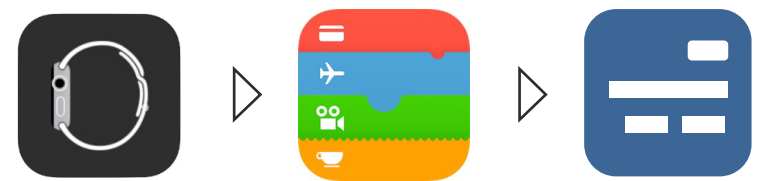


When an Apple Pay transaction executes, it isn't processed until **confirmed via Touch ID acceptance.** For Apple Watches, the account data is stored separately from iPhones, so a passcode is needed when the watch is removed/placed on a wrist (though able to be used freely until removed again).

## How to Get Apple Pay for the Apple Watch

The most important part of using Apple Pay is having a credit card attached to an Apple ID account. Most people already have a card on file for things like iTunes, though if you don't, you can simply add one in your Apple ID profile.

- Go to the Watch app on your iPhone.
- Scroll to Passbook & Apple Pay.
- Add a credit card.



Once it's set up, you can easily access Apple Pay to make retail purchases via your Apple Watch.

As of May 2017, hundreds of American banks support Apple Pay, meaning that any credit or debit card issued by those banks can be associated with an Apple Pay/Apple ID account. These include **major national banks** such as American Express, Bank of America, US Bank, Wells Fargo, and more.



## Make a Purchase Using Your Apple Watch

First, double-press the Apple Watch's side button for quick access to payment selection (you can also navigate through the watchOS menu). Then, select the card you want to use by leaving it on the default or swiping left/right. Finally, hold your Apple Watch within an inch of the reader terminal until you feel a slight tap or vibration.



To prevent fraud on an Apple Watch, **Apple requires entry of the Watch's passcode** when it senses that it's been placed on the wrist or locked from a manual lock. This level of protection ensures that no one can just steal the Apple Watch and use Apple Pay freely when wearing it throughout your day.

## Benefits of Apple Pay

For many people, the instinctive response to a smartphone-based payment system is skepticism. After all, the news is rife with stories about digital fraud -- hacking into accounts, stealing phones and identities, etc. Why would using an iPhone to buy things in person be safer than, say, simply using a credit card or cash?

**Apple Pay is actually considered safer for a few different reasons:**

### Fewer Eyeballs

Because of the unique way Apple's system delegates how account information is stored and moved around -- essentially making the Apple ID a proxy for your credit card -- it actually **never passes bank information at a store.**



### Biometrics

To confirm your purchase with Apple Pay, you have to tap the Touch ID area of your phone. That means that **your personal fingerprint is responsible for completing the transaction**-- something that's very hard to replicate, even if someone stole your iPhone.



### Freedom from Physical Cards

Physical credit **cards can be easily lost or stolen.** Apple Pay allows you to go out of the house without carrying a physical card, so you're already eliminating a path to a lost or stolen card.

