INTRODUCTION

Trust has been accepted as a critical element in electronic commerce due to the fact that online transactions are characterized as a process that involves uncertainty and risk.

E-Payment System
The system of e-payment is characterized by as a type of financial commitment that includes the purchaser and the vendor enabled by the utilization of electronic infrastructures.

Types of E-Payment Systems
1. Internet-Based Payment System
The Internet-Based payment system comes in the following four modes:
   - Debit Card
   - Credit Card
   - Smart Card
   - E-Cash
   - E-Wallet

2. Electronic Transaction-Based Payment System
   - Secure Electronic Transaction (SET)
   - Cyber Cash
   - Net Bill

What is an eWallet?
AneWallet, sometimes called a digital wallet, is a secure place that contains one or more currency purses. Your shoppers can fund aneWallet in several different ways. Once funded, shoppers can use eWallets online to buy goods or services.
A shopper must register with the provider, and may have to complete a full KYC (Know Your Customer) process before they're allowed to use aneWallet. Some payment service providers have the concept of a verified and unverified eWallet account for users who have completed KYC and those who haven't. Verified shoppers normally have a higher spending limit.
**Payment Process**

The payment process of an eWallet is significantly different to that of card payments; during the payment process the shopper is authenticated, he/she then has access to the full features and functions of the eWallet account. This account may include currency conversions, top-ups, and access to other payment service providers. Shoppers may also have the option to create an unverified eWallet account during the payments process.

**Security & Risk**

Shoppers’ data/information is normally encrypted and stored securely. Usernames/passwords and email/mobile phone verification are sometimes used when systems create an eWallet account. Photo IDs and proof of address are normally produced and stored for reference during the KYC procedure. Some payment service providers use transaction limits and velocity checks to monitor the transaction in a shoppers eWallet account. Due their feature rich content, APMs and particularly eWallets are open to fraud in different way from Credit/Debit Cards and MUST NOT be sold as Cards. There is a risk here that some shoppers may get lost, so we strongly recommend that you, the merchant, think carefully about your shopper base before you launch an eWallet service.

**Advantages of the Digital Wallet**

1. Lower Costs
2. Competitive Advantage
3. Modern
4. Convenience

**Disadvantages of the Digital Wallet**

1. Support Technology
2. System Outages.
3. Security

**Hidden Markov Model**
A HMM is one in which to observe a sequence of emissions, but do not know the sequence of states the model went through to generate the emissions. Analyses of HMM seek to recover the sequence of states from the observed data. A Hidden Markov model (HMM) is a statistical Markov model in which the unobserved states are identified through Markov Process. HMM can be considered the simplest dynamic Bayesian network. It is closely related to an early work of optimal nonlinear filtering problem called stochastic processes.