

# How to increase approval rates in eCommerce?

Many merchants, especially in high risk area, face the problem of **low approval rates**. There are situations where 20-40% of transactions are declined. This is a real issue as it means a concrete loss of sales opportunity. In this article we will explain how it is possible to increase approval rates by using a [multi-acquiring](#) approach.

A standard **eCommerce merchant** signs a contract with one acquirer and enables users to use various ways of payment with this acquirer or [payment gateway](#). This leads to the situation that the merchant is dependent on this acquirer and the choice of choosing payment methods is usually on the customer's side. It also means that there is no way to use active management of a payment method depending on transaction and user behavior.

Main reasons of declines are the following:

- 05 - Generic decline (do not honor, transaction not allowed ...) - around 30-40% of cases. It is possible to optimize acceptance by using another acquirer, changing payment methods etc.
- 51 - Insufficient funds - around 20-30% of declines. In such case the only way to improve approval rate is offering loan to customer, kind of Buy Now Pay Later solution
- 14, N7 - Incorrect number/account, wrong CVC - 10% of declines - requires good UX for data improvement
- 41 - Lost/Stolen card - 10% of declines
- 54 - Expired card - possibility to use automatic upgrade of card data in database
- and a few other reasons

Improvements in approval rates will appear once you start managing this situation by storing user and payment data, learning user and transactional behavior, and proposing to users such methods which are best suited for him. It requires that you build or use a **card-on-file system** or even "payment-on-file system" that is independent from your main acquirer and you start actively proposing and testing payment methods to your customers.

When you learn that a particular payment method does not work, your gateway should propose an additional method of payment, especially using **tokens** and local payment methods which can improve approval rates a lot.

Once you (or your partner like [Verestro](#)) store payment methods, you can automatically update the user payment method data to avoid reasons of an incorrect number, wrong CVC, expired card.

By using [tokenization](#) and wallet solutions you can also improve approval rates substantially.

Contact us if you want to go into details of this process.

---

Revision #1

Created 4 June 2025 10:26:56 by Alicja Switkowska

Updated 4 June 2025 10:27:10 by Alicja Switkowska