

Your Sales Guide for Credit Card Processing

Understanding the Credit Card Processing business can at times be a complex process. Learn about these items to truly know how to compare service companies and make the right decision. Follow the simple merchant account checklist to help avoid falling for deceptive advertising practices commonly used in the industry.

This merchant account checklist will help you vet falling for unethical sales practices. The first are super low advertised rates that only apply to a very small portion of your processing volume. The second is really a multitude of fees, most of which are “hidden” or “junk” fees. These should all be disclosed in your contract before signing but be sure to always ask for a full schedule of all fees that you may be charged before signing. And the third is a growing deceptive practice centered on PCI Compliance (Protection of Cardholder Data). These days you should only work with credit card processing companies that stress the need for PCI Compliance.

Super Low “Introductory” Rates

Most merchant service providers only advertise and tell their merchants the “introductory” rate. This is typically your Swiped Debit Card Rate, which is the lowest rate Visa and MC charge. Make sure to ask and find out all of the possible processing rates.

Hidden Fees

Some Credit Card Processing Companies will hide additional fees in their “Downgrades.” Downgrades refer to additional cost when you accept a card that doesn’t qualify for their Introductory Rate. These are typically, Rewards Cards and Business Cards. The downgrade for these services can be as much as 3-5% more than the quoted rate!

Make sure you know All the prices, not just the introductory rate. Often when rates appear too good to be true they are. While the initial rate may truly be a great deal, the downgrade fees can quickly make it an expensive one. We have found that those companies who advertise rock bottom introductory rates (0%-1%) often have the highest downgrades and tend to be the most expensive overall.

PCI Compliance

Data security should be a concern for every business that accepts credit cards for the payment of goods and services. To promote the security of the payment systems, the major card brands established the Payment Card Industry (PCI) to oversee its Data Security Standards (DSS).

Merchants of all sizes must work to try and protect cardholder data from a security breach by complying with rules and regulations set forth by the PCI Council. Be aware of Credit Card Processing Companies telling you that you don't need to worry about PCI Compliance or that "they" take care of that for you. Being PCI Compliant is not only important for understanding the ever changing rules and regulations on handling credit cards but can save you hundreds of thousands of dollars in case of a data breach.

<https://www.pcisecuritystandards.org/merchants/index.php>

Save Money and Time by Being Informed

So what is the bottom line? Well first off, if it sounds too good to be true, it most likely is... Understand ALL of your costs ahead of time, honest companies will have nothing to hide and will offer to share all pricing ahead of time. Ask lots of questions and don't be afraid to ask for something in writing describing any costs or fees you don't feel comfortable with.

Merchant Processing does not have to be complicated. Find a company you trust, ask the right questions and empower yourself and save your business money. A great way to weed out companies using deceptive business practices is to ask them about their Cancellation Fees. If they have a cancellation fee then they must be trying to hold you to a contract for a reason. Find a company that is recommended by your peers and one that will not need a contract to keep your Business. If you have any questions please contact Andrew Caine at 972-774-5125 or andrew@cspayments.com. Andrew has been serving the Waste Industry for over 10 years and is endorsed by the National Waste & Recycling Association.