




Merchant Services, The Durbin Amendment & The Money Your Business Is Losing

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That Can Affect the Bottom Line of Just About
Every Business In America.

The question is...
How is this Law Going to Affect your Business?



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The Good News:

Your company can be saving a lot of money in merchant services processing fees thanks to a new Federal law that just went into effect on the 1st of October.

The Bad News:

Unless you act, your company can't take advantage of the huge savings you could be getting – your merchant services rates could actually go up and you could pay more instead of less!

All of this is in thanks to a new law known as the Durbin Amendment to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Durbin Amendment regulates how much companies like Visa, MasterCard, Discover and American Express can charge merchants like you. The key point in the Amendment requires large financial institutions to cap their debit card fees.

So what does this mean to your business?

Let's look at the facts.

FACT: Over 98% of American businesses were set up with pricing from their current credit card processor BEFORE The New Durbin Amendment pricing was announced earlier this summer.

FACT: The Durbin Amendment significantly reduced the costs to process many Visa and MasterCard payment cards effective October 1, 2011. On some transactions, merchants can see over 95% reductions in their merchant services processing costs for debit card transactions. On average, most merchants will see a 50% reduction in costs.

FACT: The way your current merchant services processing account is structured will determine whether you will have either an increase or a dramatic decrease in merchant processing costs.

FACT: Most credit/check/debit card processing accounts are not structured properly to take advantage of the new law and as a result, merchants not properly structured will likely experience an increase in costs, rather than experiencing a dramatic decrease if properly structured.

FACT: Merchant services accounts that are not structured properly relevant to the new law in most cases will not be changed or amended to take a financial advantage. The merchant's current processor will stand to see all of the financial benefits and will not pass those lower costs to the merchant.

FACT: Many merchants will have to switch to processors offering different pricing structures in order to take full advantage of the new law.

How do you take advantage of the new law?

Call a [merchant services provider](#) and demand "Interchange +" pricing. Usually interchange plus 2 or 3 basis points is considered a very good and fair deal. Or, if you can't reach agreement on that, you can ask that your debit card transaction fees be reduced to 22 cents plus .05% per transaction.

About the Author

J.J. Belle writes for Solcorp, Inc., the parent company of ChoiceMerchantServices.com. ChoiceMerchantServices.com provides quotes for merchant services processing for retail, office, business, wireless, and ecommerce merchants. Merchant services processing rates start at 1.05% and merchants get free merchant services equipment.