



# A Guide to Merchant Services Processing: Finding the Right Merchant Services Solution For Your Company

## Find out the answers to questions such as:

How do I know which merchant services provider I should use?

How do I know when I have a good deal on merchant services?

Can I really get free merchant services software and equipment?

Which merchant services providers are trustworthy?

Which merchant solutions can fit my needs?



[www.ChoiceMerchantServices.com](http://www.ChoiceMerchantServices.com)

## **How do I know which merchant services provider I should use?**

**There are 10 things that you should look for in a merchant services provider before you consider working with them. They are as follows:**

### **1. Free Merchant Equipment**

The top-tier merchant services providers offer free merchant services equipment and free merchant services software. This means that you should not have to pay for the equipment and software that you need to accept credit and debit cards as they should include it with your contract.

### **2. Customer Service**

The merchant services provider should have an A+ rating with the Better Business Bureau. Companies that fail to maintain an A+ rating show that they cannot keep their merchants happy. To look up a company's standing with the Better Business Bureau, you can simply go to this website <http://www.bbb.org/us/Find-Business-Reviews/> and enter in the company name and location to get a full report.

### **3. Cost: Low discount rates & per transaction cost**

The question that most people ask is "***How do I know when I have a good deal on merchant services?***"

***Here's how you know:***

With the new Durbin amendment pricing, Interchange plus is your best way to go if your provider offers it. Fair costs would be

Interchange plus 25 basis points or 0.25% to a max of 0.5% and 10 to 22 cents - depending on your volume; really high volume merchants can often do even better than these rates.

For Tiered pricing, assuming you swipe the majority of your cards - as opposed to hand key them, never pay over 0.55% for check cards and 1.58% for qualified credit if your processor gives you a different rate for check cards and credit cards. If your processor blends those 2 card types together into one rate, don't pay more than a 1.09% qualified rate.

If you are hand keying in the majority of your cards - you will pay a higher rate, but it should not be over a 2.08% to 2.19% qualified rate.

Important Note: Many cards cost more than the qualified rate to process, so your provider will likely charge a 'Non Qualified' rate in addition to the qualified rate. You should avoid a processor that charges over 3.5% combined rate - Note - many providers charge a Qualified rate plus a "bump" for non Qualified. So 2.08% Qualified + 1.47% Non Qualified rate means you are paying 3.55% for example.

#### **4. Low monthly fees**

Most providers will charge a \$25 monthly minimum discount fee and a \$5-\$10 basic service or statement fee per month. Wireless fees can vary, but should rarely be over \$25 a month. Internet gateway fees should not be more than \$20 a month. Some processors provide other services such as PCI Compliance, customer services fees, and service packages which may include paper - these rates vary, but always ask if there are any other monthly fees. – the other fees not mentioned above should never be more than \$20 per month.

**5. Low or No set up fees**

You can get setup to accept credit cards with no setup fee – demand it and you will get it. Any setup fees less than \$50 are fair, but why would you pay a setup fee when you don't have to?

**6. True 24/ 7 & 365 customer service**

Your company could have difficulties getting your [merchant equipment](#) to work at anytime and you will need to get your equipment back up before it would cost your company money. In addition, at times merchant equipment or software may have issues and fail to batch your revenue into your business checking account or business savings account. These types of things could be major problems for a business. You will want to have 24/7 customer services 365 days per year to help you quickly solve these time sensitive issues.

**7. Free reprogramming of existing merchant equipment and software**

Your existing merchant services equipment and software often works great for your business and switching it can be a training cost to your team and an inconvenience – even if it is free. To solve this problem, your [merchant service provider](#) can provide you with free reprogramming of your existing merchant equipment. Oftentimes, merchant providers will charge for this service, but you should be able to get it for free.

**8. Offers a wide range of other services**

eChecks, check guarantee & conversion, credit and debit card processing, gift cards, loyalty cards, merchant cash advances and more. The merchant cash advances are pretty useful as they can allow companies that could not otherwise get approved for a loan, cash in advance. This feature essentially gives a fairly low interest line of credit to merchants that could not otherwise get it.

## 9. **Merchant services provider that understands your business needs**

You'll know within a minute of talking with a merchant provider's sales consultants if they understand your business or desire to understand your business. If they don't – don't work with them. A merchant service provider's sales consultants should have extensive training and experience in the processing needs, requirements and all possible solutions for most industries. Usually they can recommend your top 1 or 2 choices after you answer just a few quick questions about your business.

## 10. **Business Ethics**

One good test is to ask a merchant services provider if they will accept credit cards for gambling, pornography, or any adult related content. If they answer yes, we recommend you run the other way. These types of outfits are desperate for business and will probably do just about anything to get new business. If they need business that badly, they probably are not the type of company you want to use to handle your business' payment processing needs.

As you explore your [merchant services](#) needs, take this 10 point test and run it against any merchant services provider you would consider using. If the merchant services company has passed all 10 points, you know that you have found the right merchant services solution for your company.

## **About the Author**

J.J. Belle writes for Solcorp, Inc., the parent company [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.