

Brought to you by: Inmera.com



4 ways you are losing money

on credit card processing fees



inmera
Independent Merchants Alliance

The Inmera Alliance of Independent Merchants makes it easy to keep the money you make without losing it to Merchant Services Providers and reveals the 4 most common ways Credit Card Processors/Merchant Services Providers take money from your business with every transaction.

PROLOGUE

Whether starting up a business from scratch or cutting down on operating costs with an existing business, searching for a Merchant Services Provider is one of the challenging, confusing, and sometimes frustrating task a business owner may face. At Inmera we strive to cater to the more sophisticated entrepreneurs by being transparent in all aspects of our business, First Class customer support, and most of all, in our Pass Through Cost models which allow you to avoid confusion and inappropriate fees.

With that in mind, this paper was written not as a promotion of Inmera's services, but as a free education for the types of partners that we want in our alliance of merchants;

The Entrepreneur who will do their due-diligence before selecting a provider, will research at least 3 or more providers, and will accept nothing but the best for their company's interest.

Here is your paper on the 4 most common ways Merchant Service Providers hide fees for their own profit at your expense:

I. Lumping Types of Cards into Categories

There are two main reasons why Merchant Services Providers will often lump various credit card types into multiple Qualification or Discount Rate Categories:

1. Since the product Merchant Services Providers are offering is complex and the Credit Card Type differences are a challenge, putting them into multiple Qualification or Discount Rate Categories makes it look simple for the common merchant.
2. When credit card Discount Rates range between 0.09% to well over 4% for some Card Types, lumping them in 2 to 4 different Qualification or Discount Rate Categories at the high average equates to the Merchant Services Provider creating additional profit centers.

Here are some example ranges of fees that may be charged in a scenario similar to this:

Check Cards Discount Rate	0.09% - 1.24%	Visa/MasterCard/Discover Volume
Qualified Discount Rate	1.04% - 2.2%	Visa/MasterCard/Discover Volume
Mid-Qualified Discount Rate	2.2% - 3%	Visa/MasterCard/Discover Volume
Non-Qualified Discount Rate	2.7% - 4%	Visa/MasterCard/Discover Volume

To make this simple to understand we have created this example:

Let's say that you run 85 total transactions of cards that fall into "Mid-Qualified" Discount Rate Category and your Merchant Service Provider is charging you a 2.5% on all Mid-Qualified Cards.

Although the 85 different cards rates ranged, with many of them falling above the 2.5% that you are being charged, the majority fell well below.



Merchant Processor makes the difference as profit instead of it going into your bank account. This is needless when the excuse is typically that it just makes it easier to understand your statements. Sophisticated business owners who do their due-diligence will always recognize this as a way of hiding fees, thus losing money on each transaction.

Additionally, and most brutal when Merchant Services Providers simply downgrade your Qualification into lower Qualification Category and collecting Downgrade Surcharge(s) in some instances as much as 2.5% of the VISA, MasterCard and Discover volume.

II. Junk Fees



Although Most commonly recognized in Auto, Home, or even Mortgage sales, junk fees are notorious and prevalent in the world of Merchant Processing as well and much be watched for diligently.

Definition: Nebulous charges assessed at the contract signing or embedded inside the monthly or annual fees of a merchant processor that go to the provider. These fees are hidden in the documents and are usually assessed as raw dollars, "points" or a percentage of the transactions. Junk fees may or may not pay for an actual service to the client, but they typically are not known or brushed aside by the Merchant Provider prior to signing. Some common fees that may be considered junk fees include sign-up fees, Annual Fees, Government Compliance, Regulatory, PCI Fees, Online Access Fees, and more.

All of the fees shown below are charged by most of the Merchant Services Providers are absolutely not necessary and designed to create an extra profits for Merchant Services Providers.

<u>Fee Description Usual Value</u>	<u>Fee</u>	<u>Type</u>
Check/Debit Card Discount Rate	0.09 – 1.49%	Visa/MasterCard Discover Volume
Qualified Discount Rate	1.54 – 1.84%	Visa/MasterCard Discover Volume
Mid Qualified Discount Rate	1.94 – 2.94%	Visa/MasterCard Discover Volume
Non Qualified Discount Rate	2.64 – 3.99%	Visa/MasterCard Discover Volume
Statement Fee	\$5 - \$25	Monthly
Annual / Semi Annual Fee	\$79 - \$199	Annually or Semi Annually
PCI Compliance Fee	\$59 - \$129	Semi Annually
PCI Non Compliance Fee	\$19 - \$59	Monthly
TIN Verification Fee	\$9 - \$19	Monthly
Acquirer Support Fee	0.02% - 0.05%	Visa/MasterCard Discover Volume
Online Access Fee	\$5 - \$25	Monthly

Hidden Fees are called Hidden because simply not shown on the Merchant Agreement or elsewhere at all. Working through the various companies and all of their fees is rigorous, but don't give up. Partner with someone with the same kind of Upfront and Transparent Pass Through Costs structures as Inmera that show exactly what you pay on each transaction.

Example of Inmera's lack of "Junk" Fees:

Plans & Pricing		Business	Professional	Enterprise
		Select	Select	Select
		Pass Through	Pass Through	Pass Through
Interchange				
Membership Fee		\$49.95	\$79.95	\$99.95
Per Transaction Fee		\$0.10	\$0.05	\$0.03
Annual Fee		\$0.00	\$0.00	\$0.00
PCI Compliance Fee		\$0.00	\$0.00	\$0.00
Statement Fee		\$0.00	\$0.00	\$0.00
Full Online Access		\$0.00	\$0.00	\$0.00
Check Card Discount		\$0.00	\$0.00	\$0.00
Qualified Discount Rate		\$0.00	\$0.00	\$0.00
Mid Qualified Discount Rate		\$0.00	\$0.00	\$0.00
Non Qualified Discount Rate		\$0.00	\$0.00	\$0.00
Government Compliance		\$0.00	\$0.00	\$0.00
TIN Verification Fee		\$0.00	\$0.00	\$0.00
Concierge Service		Included	Included	Included
Quickbooks Integration		Included	Included	Included

III. Working with Non-Direct Providers - ISO's, Agents or Resellers:

It is no secret that there are literally thousands of different Merchant Services Providers out there, and they must have fed those guys after midnight, because they have seemingly millions of little door-to-door guys selling in the streets for them blowing up our phones. Sure there is money to be made, thus all of the businesses and their many sales people, however does your business really need to be the one to pay them?

The industry is filled with people that are indirectly selling the rates on top of the actual, Regulated by VISA, MasterCard and Discover Costs to the Banks. They are distributors of distributors with each person or entity in the chain needing to get paid. Even if they are a direct provider and receive "Interchange Rates", the sales person you are talking to on the other end of the line quite likely is getting half or more of the fees they are charging you above and beyond the Actual Cost necessary to run a transaction.

This is why the smartest businesses do their research and find ways to cut-out those middlemen in an effort to get the most direct pricing available or perhaps even the Pass Through Cost.

The Bottom Line:

Merchant Services Provides acquire transactions at "Interchange Rates" regulated by Visa and MasterCard for as low as 0.05% (full and most recent Interchange schedules may be found on VISA and MasterCard websites) and sell these transactions to merchants in some instances at Discount Rates as high as 4% keeping the difference as margin. By cutting out these middlemen and finding a company that can directly pass through the "Interchange Rates" without mark-up will impact your bottom line significantly.

IV. Overcharging on Downgrades

Although we know in a world full of money grubbers that it would be easy for us to identify them, it simply isn't. One of the elements that makes it very difficult is the fact that some of the credit or debit cards you process may be downgraded (discounted), leaving supposed savings for your business. However, some Merchant Services Providers simply choose to keep the downgraded pricing while charging you a higher fee.

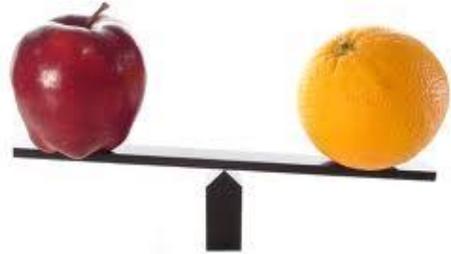
Although this tactic will be much harder to identify with preliminary proposals, it can easily be identified while searching through existing merchant account activity on their statement.

**** Note:** Inmera will do an analysis of your statement and tell you exactly how much you save each month utilizing the Interchange Pass-Through Costs we provide. Simply upload your last month's statement by [clicking here](#).

Summary

Analysis of this particular business expense is one of the most troubling as it is nearly impossible to compare apples to apples. Measuring the number side by side when there are over 1,000 different Interchange Categories and their accompanying Costs, dozens of places to hide extra fees on top of those, and hundreds of different ways to price is extra difficult. Add in that you are basically trusting much of what you hear from the person selling you on it, who may be less educated than you are after reading this paper and deciding on the right Merchant Processor or Service Provider often is just a guessing game or determined by who you like best personally.

This is the wrong way to make such an important decision!



The only way to get control and peace of mind is to have a Merchant Services Provider of high standards of Integrity and Transparency. You need a Provider that can provide your business access to Merchant Services at Pass Through Cost (Interchange Rates regulated by Visa, MasterCard and Discover).

You owe it to yourself and your business to work only with a company that can fully disclose 100% of its fees in the most transparent manner.

You deserve to join with tens of thousands of other intellectual merchants who have made the educated choice to go with Inmera.

[Upload your Statement Now](#) for a Free Analysis!

[Upload Statement](#)

[Enroll Now](#)

