



## **BUYER BEWARE:**

### *Common Marketing Schemes in Processing Offers and How to Avoid Falling for Them*

Raise your hand if you think credit card processing rates are confusing.

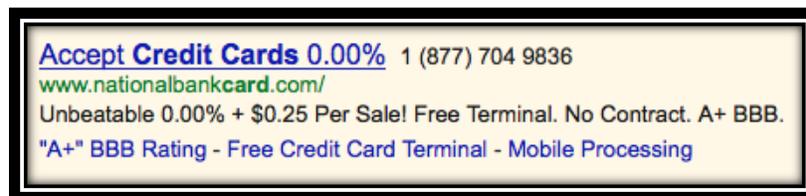
Now raise your other hand if you wish you had enough information to *protect* your business from the *offers du jour* that permeate your voicemail, inbox and mailbox.

If you just made a *touchdown* signal, you're not alone. And it's true: processing rates *are* confusing. There are so many variables that impact rates – and they, along with the regulations that govern them, seem to be changing constantly.

There are processing companies out there – lots of them – that try to use all that confusion to their advantage. Merchants look at their offers and think, “*Finally, someone has simplified credit card processing!*” In actuality, they've only simplified the headline. The fine print, if they have the integrity to publish it, is where all the confusion lives.

If there is one real truth in credit card processing, it is this: **in order for any processor to accurately quote you rates and fees, they must know something about your processing environment** – the cards you accept, the channels through which you accept them, how you run transactions, how much you process, and so on. At Wind River, we often find it can take a good deal of sleuthing with a new merchant to learn enough to quote rates.

So if that's true, how can processors just make blanket offers this?



Well, they can't – at least not without a great big laundry list of terms and conditions and exceptions attached.

Frankly, all of us at Wind River Financial find these offers to be offensive, predatory and insulting. So, in keeping with our policy of absolute transparency, we'd like to arm you with some tools and information to protect your business.

So let's go back to the offers you're getting bombarded with. Generally, they'll fall into one of five categories:

**The Too-Good-To-Be-True:** *We can't offer this special introductory rate forever! How does 30 days sound?*

**The Teaser:** *This low "Qualified" rate only applies to a fraction of your transactions; the bulk of your transactions will be assessed at higher (and non-disclosed) "Mid" or "Non-qualified" rates. We'd prefer not to discuss those higher rates until after you sign the agreement!*

**The Add-On:** *To get this rate, you'll also need to pay a bunch of fees and surcharges.*

**The Trap:** *We'll save you a few bucks in exchange for this multi-year contract that you'll never be able to get out of.*

**The Bait-n-Switch:** *Maybe one merchant, somewhere, actually qualifies for this rate, but it's not you. For you, we have this other rate.*

To the untrained eye, many of these offers can appear very attractive. And that's what these marketers are counting on – an untrained eye.

To protect yourself, ask the following questions and demand that answers be put in writing:

- Have you disclosed all of the rates that apply to my specific situation: interchange, assessments, equipment fees, set-up fees, installation fees, cancellation fees, PCI-related fees, mark-ups?
- Is your pricing structure bundled?
- Do these rates expire at any time?
- How will fees be shown on my merchant statement?
- Is there a contract required? What are the terms of buying out the contract?
- Am I buying services from *your* company, or are you reselling someone else's services?

Asking smart questions will put the processor on notice that yours is *not* an untrained eye! And if you'd like some extra guidance from folks who evaluate offers like these all the time, call Wind River Financial!

**Wind River Financial practices complete rate transparency and takes the time to explain any applicable fees, who collects them, and what the merchant gets in return for them. For more information, ask us for copies of related items in the Merchant Education Series: *How Credit Card Fees are Comprised*, and *How to Choose a Processing Partner*.**