



Learn More about Credit Card Statements

INTRODUCTION

We've put together a guide to help explain credit card statements to merchants. The guide is divided into four sections:

- Statement Overview
- Spotting Hidden Fees
- Merchant Account Tips
- Finding Your Statement

The Statement Overview section provides basic information about rates, fees and pricing structures. The Spotting Hidden Fees section details the fees you could possibly avoid or negotiate with a merchant processor. The Merchant Account Tips section provides useful information about account categories, EMV, pricing platforms and PCI.

The Finding Your Statement section helps you locate your statement from a variety of providers.

The goal of this guide is to educate you about the fees and rates on your credit card statement. This guide can also help you find ways to negotiate better rates and save money.

If you are interested in learning more about statements and don't find the answers to your questions here, feel free to contact one of our Payment Processing Experts at **1-800-696-7358**



STATEMENT OVERVIEW

Perhaps you divide your total processing fees by your monthly volume to calculate an effective rate. This is a good way to take a quick snapshot of your monthly processing cost, however, it does not give you a complete picture. Knowing how to read your statement is an important skill for any business using credit card processing.

Understanding Your Statement

Trying to understand your statement can be challenging. Some processors only bill you for volume from two months ago. One in five merchants don't even receive a full statement breakdown, which makes it nearly impossible to understand the charges. Your total effective rate will vary from month to month, depending on the credit cards you accept and how you process them.

Card Fees Versus Processor Fees

There are two costs associated with every transaction:

- Card organization cost
- Processor cost

When your customer pays with Visa, your processor will charge you Visa's fee (pass-through cost), plus a markup for their services. Visa's fees are non-negotiable, but the service fees from your processor are negotiable. Knowing how to differentiate between those two fees is an important first step in understanding your statement.

Discount Rates

Traditionally, when a salesperson refers to a "discount," it means there is a price reduction. When you see "discount rate" on your statement, it means surcharges.



Pricing Structures

Are you signed up for Tiered or Interchange Plus pricing? You can be set up with different pricing structures, depending on what type of business you run, the cards your customers use and how you process each transaction. Knowing how to choose the right pricing structure can be the difference between getting a good deal and paying too much.

Miscellaneous Fees

Miscellaneous fees can add up quickly and sometimes account for over 25% of your cost. Whether it's an equipment fee or compliance fee, no one likes to pay for something they don't understand or can avoid. Most people aren't willing to spend an hour on the phone haggling over a miscellaneous \$5 charge. Unfortunately, that is the main reason most avoidable miscellaneous fees go unchallenged.



SPOTTING HIDDEN FEES

Merchant statements can be convoluted and difficult to read, but there are some ways you can identify where you might be overpaying.

Red-Flag Fees

Rather than trying to learn every item that might appear on a processing statement, let's focus on the terms you don't want to see. Here are the most common ones to watch out for:

- Interchange Clearing Fees Other Volume Fees
- Other Item Fees Regulatory Product Fees
- Maintenance Fee Sales Item
- Chargeback Service Fees Non-Compliance Fees POS Authorization Fees
- Gateway Authorization Fees Visa Inquiry Fee

If you notice any of the above fees on your statement, don't panic. It's just an indication that you might want to investigate further.

These fees are usually markups from your processor and can be negotiated or eliminated altogether.



What Can You Do?

If you find these fees on your statement, you have two choices: call your processor to negotiate or start shopping around for a new one.

Calling your processor can be a useful exercise in both understanding the negotiation process and evaluating the quality of their customer service. If you are happy with the service and your fees are clearly explained or reversed, you may decide to give them a second chance. If you are placed on hold for an hour, your questions aren't clearly explained, or you have to wait a few days to get a response, it might be time to cut them loose.

If you decide to shop around, it's important to understand that every processor makes money in the same way —meaning they pass along the true cost of each transaction with a markup for their services.

And while many processors offer excellent introductory rates, it's common in the industry for fees to rise over time or for new charges to be included on your statement unannounced. And don't forget, you may need to continue to check your statements regularly because certain fees only appear quarterly or annually.

Regardless of which action you take, identifying the unnecessary fees on your statement is the first step to ensuring you have the information to confidently negotiate and establish fair processing costs for your business.



4 MERCHANT ACCOUNT TIPS

There are account details you should understand to avoid being overcharged and to protect yourself against fraud, data breaches and ensure mandatory compliance standards are met.

Account Category

The account category is basically the way you process credit cards:

- A Retail Account can accept card-present or keyed-in transactions.
- A Moto Account only processes keyed-in transactions.
- An Internet Account is for payments that run independently through a website.

Tip: A retail setup can help save money because card-present transactions are the most secure and come with the lowest rates. You should select a **Retail Account** if you ever meet your clients face-to-face.

Here's an example: A general contractor that phones in their credit card payments might be paying 3.5%. However, this same transaction that is run through a wireless terminal may be charged as little as 1.99%.



EMV Compliant Equipment

Merchants with EMV compatible processing equipment pay the lowest rate available. However, many merchants don't have accounts or equipment set up to accept EMV.

Tip: Some processors use this as an opportunity to up-sell merchants with expensive equipment leases. If requested, most processors will provide their clients with a free EMV compatible terminal or mobile chip readers. If your customer hands you a card with a chip, you should be inserting that card, not swiping or keying-in the transaction.

Pricing Platform

There are two different pricing platforms:

- Tiered Pricing = Fixed Pricing
- Interchange Plus (IC+) = Variable Pricing.

Tiered Pricing is like a fixed mortgage in that you know exactly what your rates are and the rates don't fluctuate. This pricing may suit your business if you have very predictable transactions and generally process the same cards in the same way every day. The benefit for Tiered Pricing is that you always pay the same rate. This is helpful as it gives you peace of mind knowing what you'll pay. But it's generally more expensive than IC+ because processors include a safe buffer between the true cost and your fixed rate.

If you're looking for the most potential savings, but willing to accept some variability in your cost, then Interchange Plus (IC+) is the pricing for you. With this pricing, you pay the true cost of each transaction (interchange), plus a fixed markup (also known as 'bump') to your processor.

Interchange fees, which are non-negotiable, are determined by the card organizations and vary by card type, transaction category and industry. When it comes to analyzing IC+ pricing, it all depends on the markup the processor has added.



PCI Compliance

Payment Card Industry Data Security Standard (PCI DSS) applies to anyone who accepts credit cards. It's designed to prevent credit card theft and fraudulent payments. The goal of PCI Compliance is to ensure that any company accepting credit cards maintains a secure environment.

Some processors charge compliance fees through monthly or quarterly payments, and additional non-compliance fees may be charged without warning or without instructions on how to avoid them. Obtaining an annual PCI Certificate can be enough of a headache that you simply give up and absorb their non-compliance fees.

With the right processor, you should be charged a one-time, annual fee and complete a five-minute phone call verifying the basic details of their account.



FINDING YOUR STATEMENT



To get your statement from Square:

1. Login with your credentials online at: <https://squareup.com>.
2. Select Reports.
3. Select Payment Methods.
4. Select a Date Range.
5. Take a screenshot or export a report from a recent month with a volume over \$1000 in credit cards.
6. Save the file to your desktop and send us this form.



To get your statement from Encore:

1. Login with your credentials online at: <https://www.merchant.info/slogin>.
2. Click Statements.
3. Choose your selected months.
4. Take a screenshot or export a report from a recent month with a volume over \$1000 in credit cards.
5. Save the file to your desktop and send us this form.



To get your statement from QuickBooks:

1. Login with your credentials online at:
<https://merchantcenter.intuit.com/portal/portal/qbms>.

2. Find Activity and Reports.
3. Click on Credit Card Statements.
4. Take a screenshot or export a report from a recent month with a volume over \$1000 in credit cards.
5. Save the file to your desktop and send us this form.



To get your statement from First Data:

1. Login with your credentials online at: <https://www.myclientline.net>.
2. Click 'merchant login' and enter your credentials.
3. Once you are logged in, click funding from the toolbar.
4. Select Monthly Statement from the drop down.
5. Enter ID and select corresponding level (required) if you would like to view a statement for a specific location or hierarchy level other than what you have been currently viewing.
6. Select Statement Type (recap or location). Select location if you would like to view only your specific processing information.
7. Click Submit.
8. Click on the month you wish to view. Choose a recent month with a volume over \$1000 in credit cards.
9. Click Get Statement.
10. Save the file to your desktop and send us this form.



To get your statement from World Pay:

1. Login with your credentials online at: <https://ssologin.worldpay.us/sso/jsp/login>.

2. On the left side of the home screen, click Recent Statements.
3. From there you will be able to see your last few months of merchant statements.
4. Take a screenshot or export a report from a recent month with a volume over \$1000 in credit cards.
5. Save the file to your desktop and send us this form.



To get your statement from PayPal:

1. Login with your credentials online at: <https://www.paypal.com/signin>.
2. Go to Reports and then to Financial Summary. Pick a date range.
3. Take a screenshot or export a report from a recent month with a volume over \$5000 in credit cards.
4. Save the file to your desktop and send us this form.

SUMMARY

Credit Card Processing Statements are not uniform. Rates, fees and pricing platforms can be confusing. We hope you'll use this guide as a tool to understand the variety of fees, rates, or pricing platforms you might encounter on your statement.

Sekure Merchant Solutions offers a free, no-obligation statement analysis that highlights fees and proposed cost savings based on what you are currently paying. If your processor is already offering excellent rates, we will be sure to let you know!

Feel free to call us to speak with a payment processing expert:
1-800-696-7358

