



HOW TO SET UP A MERCHANT ACCOUNT... WITHOUT GETTING RIPPED-OFF

***Discover 'Insider' Information Sales Reps
Do NOT Want You to Know:
3 Big Mistakes Business Owners Make
When Setting Up a Merchant Account***

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FOREWORD

First off, thanks for stopping by the website and downloading your copy of this report.

The purpose of putting this together is to “warn you” about the three most common mistakes business owners make when setting up an account, so that you can avoid making a similar mistake.

Let’s face facts.

Choosing the wrong merchant account provider will cost you money, both up front and in the long run. So getting started on the right foot will allow you to keep your hard-earned money in your pocket (or bank account).

My goal was to keep this report as quick to read as possible, so if a topic isn’t covered that you’d like more information on, please send me an email.

Does that sound fair enough? Okay, let’s get started.

INTRODUCTION

This report is the end result of being in business since 2004. Since that time I have needed a merchant account myself, as well as helping my web marketing clients accept credit cards.

What I found is that whether you are just getting started, or you have accepted credit cards for some time, it never hurts to get another [merchant account quote](#).

Although the focus of this report is primarily for business owners who have never accepted credit cards at their business, the tips and suggestions here will help you if you already accepting credit cards, too.

And that’s because people often change vendors from time to time.

Myth #1: “What’s your rate?”

There are **multiple** rate plans possible for your merchant account, such as: 2-Tier, 3-Tier, 4-Tier, 6-Tier, and Interchange Plus.

And just because you have some experience with a merchant account doesn’t mean you can’t fall for some of the myths and traps “out there.”

For example, though I can’t discuss rates in any great detail here, it’s important to

realize that the way merchant accounts are sold to you is by **oversimplifying the rates and fees** associated with accounts.

Never forget this important point.

And when I mention that processing rates depend on your business type, how you are processing transactions, and the type of card you are processing, **they ALWAYS tell me that "no one ever mentioned that before."**

No kidding.

So, just for you here are the factors that will impact your cost of accepting credit cards at your business:

- ✓ How you're processing (online or virtual vs. "brick and mortar")
- ✓ What you're selling (pay at pump, grocery, hotels, etc.)

Now, **99% of sales reps working for the mega-processing companies** calling on you are not going to explain this, since his or her goal is to sign you up as quickly as possible so that he or she can move on the "next" lead.

They are on a quota, after all. You can't really blame them for not taking the time to make things clear for you.

What this means to you is "buyer beware." The lesson? Understand that sales reps cannot make policy. And demand all of their "promises" in writing.

And be sure to **ask the critical questions** you need answers to, so you can make an informed decision.

With that said, let's discuss Rip-Off #1...

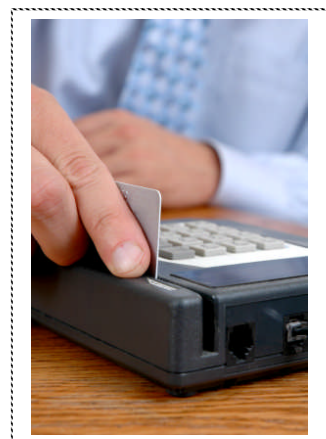
1. Do you offer lease programs for the equipment?

I'm not a big fan of equipment leases. At all. Ever. And the reason is a simple...

This is, **without doubt, the single biggest rip-off in the industry.**

Why would you agree to pay \$49 per month (or \$39, or \$29 or whatever the lease agreement comes out to) instead of signing up for a free equipment program, or just buying your terminal outright?

Free equipment programs? Sure, you bet. They do exist out there... you just



have to know how to find them.

Additionally, the wholesale cost for a credit card terminal runs around \$250 for a typical model (the latest terminals & wireless terminals cost more).

So why would you agree to lease a credit card terminal for 48 months (or more) since **the lease agreement doesn't automatically expire**.

Myth #2: "A lease will save you money."

Leases are **non-cancelable**, and typically last for 48 months. At \$29 per month (most cost more), your actual cost will be \$1392. And only if you cancel your lease on time, since they do NOT expire automatically.

What's worse, I've heard from merchants who admitted that they had to return the machine once they cancelled the lease, since they didn't technically "own" the terminal.

Are you kidding me?

So what were you paying for all those months?

To make matters worse, one business owner shared with me that his provider makes him pay an additional \$12 per month to insure the machine!?

You can't make this stuff up.

Bottom line, if and when terminal leases are pitched to you, understand that the person "recommending" this option stands to benefit if you agree to the lease. It's money in their pocket. Not yours!

The math just doesn't add up in your favor.

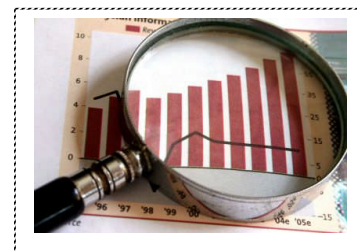
Either buy the credit card terminal outright, or find a provider with a free equipment program.

And finally, if you do NOT want a lease and the sales rep talking with you says your account will not have a lease, double-check the paperwork before you sign to guarantee you won't get stuck with a lease. It has happened.

Finally, free equipment programs should mention the terms and conditions of use, as well as replacement features should your terminal become damaged or defective down the road.

2. Are my rates guaranteed?

This rip-off actually got me started in this business. If you don't mind I'll share a quick story with you...



My good friend opened a restaurant a few years ago, and signed up for merchant services through COSTCO.

Two months into the contract he called me and asked if I would do some research for him. Basically, he wanted to know if he could "get a better deal."

The problem?

His rates were increasing every month. Needless to say, **his "quoted" rate was now totally, 100% irrelevant** only 2 months into the contract.

So after spending a number of hours online looking for a better arrangement for him, I called up to share my results. Turns out there were merchant account providers offering **"fixed rate guarantees."**

Myth #3: "COSTCO (or my bank) will take care of me."

It just doesn't work that way. Most banks, and COSTCO, set up corporate relationships with "mega-processing" companies. They refer you to them for an ongoing share of the money made from your account.

His next question to me was **"is this something you can look into for me?"** You are reading the end result of answering his question.

So what does this story mean for you?

Well, for starters you need to know what the quoted rate actually means for you.

For example...

- ✓ how long will the "quoted rates" remain in valid
- ✓ what are the terms and conditions associated with the quote
- ✓ when can you expect rate increases

It's important to know how long the quoted rates will remain in effect. It doesn't make much sense to sign up based on a "promise" that becomes obsolete two months after you sign on the dotted-line.

So be sure to ask. By the way, very few credit card processing companies will offer you a fixed rate guarantee.

Additionally, some processors may claim that your rates will be fixed for the term of the contract as a way of **getting you to sign up for a 3 year or 4 year contract.**

But a word of caution...

Understand that the term **"fixed"** can have many several meanings based

on which company you're talking to, and even fixed rate guarantees will exclude those rate increases mandated by Visa and MasterCard.

Additionally, when Visa and MasterCard change the rates, how will you know the exact amount of increase? You won't.

For example, many companies use these rate increases as an opportunity to raise your rates above and beyond the mandated increases by Visa and MasterCard.

Myth #4: "The rate increase comes from Visa & MasterCard."

It depends. Visa and MasterCard, if they change rates, typically do so in April and October. If your rates increase during another time of the year, it's not coming from Visa or MasterCard.

Basically, it's their way to squeeze more money out of your account.

It's as plain and simple as that.

See, they can do this because they know that you'll have no real way of knowing...

- ✓ if or when the interchange rates were changed, and
- ✓ **which category of rates were affected** by the change, and
- ✓ the exact amount of the increase.

Which gives them an opportunity to silently line THEIR pockets with your hard-earned money, while avoiding any blame for their rate increases.

So just be sure to ask these questions before you sign up with any provider. And this brings us to the final section...

3. Is there an early termination fee if I change to another vendor before the contract term expires?



Back to the example of my friend who signed up with Costco.

His rates were not guaranteed at all. **In fact, the contract stated that they could raise his rates without prior notice.**

But there's more to his story than that.

When he decided to switch his credit card processing account over to me, **he was forced to pay an "early termination fee."** Even though they kept raising his rates!

That's right. Even though he was "quoted" a rate on his contract, because

there were ZERO rate guarantees, he still had to pay an early termination fee to move to another merchant account provider.

In his case, it was a fixed fee of \$175. All in all, that's not too bad, all things considered.

For example, **some companies charge you a percentage of the fees** they would have made on your account from time of cancellation to time the contract would expire.

Ouch!

In my friend's case he was willing to pay the fee since he knew that the yearly savings would still put money back into his pocket.

Now, I think you can see from this case study (and countless others I've experienced) that just because you're stuck in a contract does NOT necessarily mean that your rates and fees are fixed for the contract term.

Far from it.

And this means **for you** that they get the better end of the deal every time. The early termination fee means **for them** that...

- ✓ they can basically promise you anything to get you to sign,
- ✓ they can change the fees in their favor at any time,
- ✓ and you still have pay them to switch to a better deal.

So, are all contracts a problem? Not necessarily.

But a contract you can't cancel without penalty, even after they've messed up your account... now that's another thing entirely.

Myth #5: "And if you're not happy, it's easy to cancel."

Sure it is. Until you really want to cancel. Some companies make you send in written notice, and even after you do and they've confirmed your request, you may still be charged for a few months until you complain.

Another thing you will need to check out is the cancellation policy or process itself.

And that's because some companies don't spell out the steps you need to follow in order to cancel your account down the road.

For example, one business owner I know (now a client) followed their instructions, sent in the written notice 60 days prior to switching over as they were instructed, **only to have their account terminated that day.**

On a Friday no less. So how was she supposed to get paid on sales she

made in her store over the weekend?

Exactly.

The bottom line is this. You need to ask and get answers regarding the processing company's cancellation procedures and possible costs for early termination.

Most, if not all, will charge you a fee for canceling early. And it may still be in your best interest to pay the penalty and move on if you're not happy with the rates **and service** you are currently receiving.

The long-range savings will often make up for the short-term "pain" of paying a cancellation fee. And moving to a provider that does not use (or believe) in early termination fees means you only have to take your medicine once.

And in the end, it's your account (and cash flow) after all.

The Next Steps

If I've done my job right and stayed true to my goal, you found this report helpful and informative.

It is the culmination of checking into this stuff for myself and helping out other people like me who all basically suffered from the same problem...

That the promises the heard before signing a contract FAR EXCEEDED what they received after signing on the dotted-line.

Always remember – most of the merchant account providers employ inexperienced sales people working to fulfill a monthly quota.

Their goal is to sign you up (at any cost) in order to "earn" their paycheck.

More likely than not you'll never hear from the sales rep again, since they have to be on to "the next" potential customer.

Which means, long AFTER you received your first statement and discover that what you are paying is NOT what you were promised, who are you going to call?

I'll tell you who... an 800 number that rings in a distant call center who-knows-where.

And the “customer service” rep on the other end of the line doesn’t give a hoot about YOUR problem. Their job is to stonewall you... hoping you’ll give up or go away.

Does that paint an accurate picture?

Ask around. Most business owners with merchant accounts have been with two or three (or more) other providers before finding me online (or by way of a referral from one of my clients).

Hopefully by now you’ve come to see that you need to ask solid questions about your account, since there’s so much more to it than “what’s your rate?”

Now, how can we help?

1. you are getting started in business for the first time and need to accept credit cards at your business, OR
2. you have a merchant account or would like to see if you can “do better”

In either case you can take action today ...

Simply **request a free merchant account quote** from our site and waiting to hear from up to 5 merchant account providers at:

<http://ampyourcashflow.com/merchant-account-quote/>

Or, you can **investigate our merchant account provider directory on your own** by visiting:

<http://ampyourcashflow.com/>

In either case, simply click on the link to get started.

And if you do choose a vendor from the directory or quote request feature, share your experiences with us.

We want to make sure that the folks listed on the website will take good care of you.

Does that make sense?

Oh, and I have just one final favor to ask if you don’t mind...

Please feel free to share this report with as many people as you know who are looking for a merchant account.

Or if you prefer, simply use the "Share/Save" button on our website and pass along the good word to other people like you.

Is that a fair enough request?

Thanks again for visiting us at www.ampyourcashflow.com. We look forward to receiving any comments, questions or other feedback you'd like to share.

To your continued business success,



Michael Guerin
President

Success Marketing, LLC

www.bestwebpresence.com
<http://ampyourcashflow.com>

**New Merchant Account Questionnaire:
Retail, Restaurant, Beauty Salon/Spa & Face to Face**

STANDARD INFORMATION MOST MERCHANT ACCOUNT PROVIDERS NEED

1. Legal name (and applicable DBA) of your business: _____
2. Type of business ownership: **Sole Proprietor** **Corp.** **LLC** **Other**
3. Years in business: _____ Length of current ownership: _____
4. Type of business location: **Retail** **Office** **Home-based** **Other**
5. Number of locations: _____
6. Type of product or service sold: _____
7. Method for processing payments: **In person** **Fax** **Phone** **Online**
8. Expected monthly volume of credit card sales: \$_____
9. Expected average sale: \$_____ Expected high sale: \$_____
10. Which Credit Cards do you already accept (circle all that apply):
None **Visa** **MasterCard** **AMEX** **Discover** **PayPal**
11. Contact Person: _____
12. Email address: _____
13. Website: _____
14. Phone number: _____

**To request YOUR free merchant account quote,
simply click on the link to get started:**

<http://ampyourcashflow.com/merchant-account-quote/>

**New Merchant Account Questionnaire:
E-Commerce/Online & Virtual Business and Practices**

STANDARD INFORMATION MOST MERCHANT ACCOUNT PROVIDERS NEED

1. Legal name (and applicable DBA) of your business: _____
2. Type of business ownership: **Sole Proprietor** **Corp.** **LLC** **Other**
3. Product(s) or service(s) you are selling online: _____
4. Web hosting company: _____
5. Are you able to make changes to your site yourself? _____
6. Name of shopping cart system or software: _____
7. Site URL: _____ Is your site live? _____
8. Do you track web traffic & sales? _____ Which system? _____
9. Expected average & highest sale amount? AVG: \$ _____ HIGH: \$ _____
10. Currently Accepting Credit Cards (circle all that apply)?
None **Visa** **MasterCard** **AMEX** **Discover** **PayPal**
11. Do you need recurring billing and/or membership programs set up? _____
12. Name & contact of your web developer: _____
13. Timeframe for accepting credit cards online: _____

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simply click on the link to get started:**

<http://ampyourcashflow.com/merchant-account-quote/>

Required Documents Checklist

REQUIREMENTS FOR OPENING A NEW MERCHANT ACCOUNT

1. A **signed and dated application**
2. A **photocopy your driver's license** (for Patriot Act compliance)
3. A **VOID check** for the account you would like to receive deposits from your merchant account
 - a) If you have a new bank account, **we cannot accept starter checks**
 - b) In place of a VOID check you can submit a Bank Letter.
4. **ONE** form of business ID.
 - a) A signed lease agreement showing your business address
 - b) A utility bill made out to the business with business address listed
 - c) Your last 2 months of processing statements (**Required if you already accept credit cards**)
 - d) Articles of Incorporation page for your LLC or corporation
 - e) State Sales Tax ID
5. **ONE** example for your method of marketing (**Virtual Terminal/Internet accounts only**)
 - a) Your website URL
 - b) A copy of your business card or other form of advertising

This list should work for just about any merchant account provider you choose for your account.

**To request YOUR free merchant account quote,
simply click on the link to get started:**

<http://ampyourcashflow.com/merchant-account-quote/>