

## ***Things you should know about your merchant account***

Now that you have a Merchant Account, there are a few things you need to know in order to keep it's benefits and avoid your merchant account from being terminated. If you are terminated, it will be **VERY DIFFICULT** for you to get another Merchant Account.

Unlike card issuing banks, merchant processing banks don't have a credit-reporting agency to gather report information about the way merchants manage its processing responsibilities. Therefore, card associations use a database file known as MATCH (previously known as the Terminated Merchant File "TMF"). Merchant processing banks such as Mastercard and Visa use these files to identify terminated merchants and find out the reasons for their termination.

The Four most common mistakes merchants make are:

- 1) **Using your own credit card to test your merchant account** - Usually, when merchants first acquire a Merchant Account, the first thing they want to do is to test it. But this is NOT such a good idea. You have to remember that this is YOUR account, and that if you attempt to use YOUR credit card, or even your spouse's card, you are in effect, "CASHING" your available credit into your checking account. **BANKS HATE THIS** and will terminate your Merchant Account **IMMEDIATELY**. This applies to any joint holders of your credit card account. Even a \$1.00 transaction can cause termination. If you wish to test your account, we strongly suggest you use a friend's card and not your own.
- 2) **Accepting payments for another merchant** - While it would seem an innocent case of one merchant helping another, depositing another businesses' transactions into your account is a practice the banks call Factoring. **THEY HATE THIS AS WELL**, and may even accuse you of money laundering. You also run the risk of a chargeback because the other businesses' customers will receive charges from a company they have never heard of. You want to avoid this since excessive chargebacks can mean the end of your merchant account.
- 3) **Inconsistent company names on billing statements** - Make **SURE** your customers know your company name as it appears on their billing statements. When customers see a name on their bill they do not recognize, they will immediately request a chargeback.
- 4) **Not maintaining records** - There are people out there, just like check bouncers, who purchase products or services with no intention of paying. We filter your transaction against a database of millions of known offenders, but new ones crop up every day. Maintain proof of delivery, or signed receipts to send to the bank if any of these people request a chargeback. UPS, Federal Express, and Airborne Express all require the receiver of the package to sign and indicate that the package arrived to its destination and was received. Remember, you **WILL** be terminated if your account presents excessive chargebacks.

The continued benefits of this type of account are worth a little time and care to protect, so pay attention to these guidelines and avoid getting your account terminated. Merchant Banking Accounts are the best way to improve the quality of your service, giving your customers funds to pay with, and time to pay. Congratulations, and good luck in your new business venture.