

Credit Card Processing Gimmicks and Scams

by Leo Townsend



The credit card processing industry is an unregulated and highly competitive industry. All credit card processing companies have the same initial cost to process credit cards, no one is special. The only difference is what is added to these costs for their profit and how clearly this is disclosed.

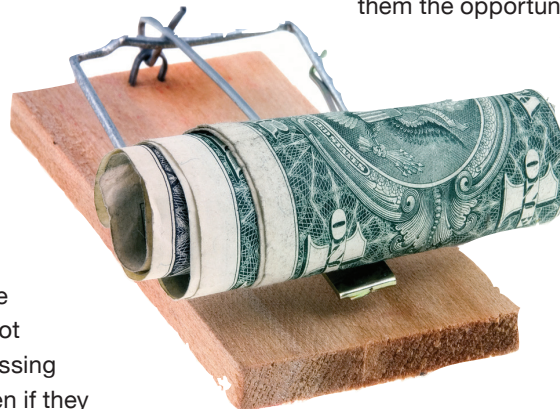
IPS has found that over 90% of processing companies are charging termination fees and they are getting nasty. Companies have such heinous termination fees and lie with impunity because no one knows the truth and once the merchant signs the contract they are stuck. You need to ask about termination fees because salespeople will not bring up this subject. They know you are signing a contract with termination fees and may already be in a contract where you have to pay termination fees. Make sure to not do business with any credit card processing company that has a termination fee even if they offer to waive the fee. Over 60% of the merchants that IPS talks to cannot switch their processing due to termination fees; no matter how great the savings.

And leasing a terminal or processing via software or gateway is never a good idea.

There is no Visa™/MasterCard™/Discover™ healthcare industry program of any kind. You may be contacted by someone stating your current processor has you on the wrong program and that they can save you money by putting you on their Medical/Healthcare Industry program. The president and owner of this company admits that there is no Visa™/MasterCard™/Discover™ medical/healthcare program but that it is a trademarked marketing term they use to solicit business.

Over the years IPS has seen this company misrepresent the savings their program offers every time it is compared to an IPS merchant. They sell you on a better way to process your payments, via the internet, which in fact just increases your costs due to the additional fees and requirements processing over the internet creates.

There is a dentist in Illinois where the supposed analysis showed the dentist savings was wrong on every point. When the dentist proved that the savings weren't real and refused to allow the salesman to install their software, they hit him for a \$700 termination fee. His bank was able to retrieve the \$700; however this company is now taking the dentist to collections. Once a merchant signs this contract, they become an indentured servant. The initial term of contract is for 3 years with a \$700 termination fee. After 3 years, unless you give them the opportunity to match any other offer, it's a \$500 termination fee – FOREVER!



An East Coast dental association is using a company with a similar business model. And when a list of references provided by the processing company was contacted by IPS it was found that their rates could be lowered by 30% and they had the same nasty termination fees. A member contacted the association to complain about being referred to a company that was

overcharging them and that they were now stuck processing their cards through due to ridiculous termination fees. Representatives for the association called IPS and attempted to play hard ball. Once they were shown the proof, they backed off but continued their relationship with this company because they didn't want to lose the revenue stream from their kickback. Based on conversations with dental associations across the country, this is the status quo.

And why should you trust me? IPS has no termination fees. Never have, never will. If anything we tell you turns out to not be true, you are free to leave. IPS can provide you with references in your area. And we don't only handle dental practices. We work with companies of all sizes and in all industries.

Give Leo Townsend, president of International Payment Solutions a call at 866-522-1169 and let us do a no-cost, no-obligation analysis of your current processing costs. Fax a current processing statement to 815-273-2133.