

International Payment Solutions LLC

CREDIT CARD PROCESSING TERMINATION FEES & CONTRACT RENEWALS

So, you've been with your current credit card processing company for the last year or three and you've now decided to go with another company (hopefully us!). You actually *found* your contract or you called and found out that your contract is up in six months.

I can't tell you how many times I've talked with a merchant who says *call me in October when my contract is up*. Is it really? Here's what you don't know:

Most contracts have a built-in extension of one year or *more*. If you don't give your processor formal notice within a limited time period, your contract will automatically renew! And believe me, that renewal window is relatively small.

So you need to know **now** where you stand! Make it a priority to find out what kind of notice is required and in what time period it needs to be given. Most processors are requiring from 30 to 120 days' written notice! Otherwise, when I call you in October (when you thought your contract was up) you might have already been renewed and you didn't know it!

When you add that to the probability that your contract has a penalty for early termination, guess what? You're stuck in that contract with a company you aren't happy with for another 1 or 2 or more years!

So here's what you do: Call your processing company and ask these questions:

1. If I were to cancel my contract, are there any fees or penalties?
2. If there are termination fees, when can I leave without penalty?
3. What type of cancellation notice do you require and by when? At this point, they should tell you, *we need written notice by mail or fax (or whatever) 30 (or 60 or 90 or 120) days prior to _____*.

If you're told you don't have a termination fee, see if there are any other fees to close your account. Some companies now call it a deconversion fee or cancellation fee. So while you don't technically have a termination fee, you still can't close the account without paying.

Then what do you do? You write that date on your calendar in big red letters! And you send that letter, especially if you know you're switching!

And one other small piece of advice: don't call your rep to ask these questions. If you're close to your renewal date, he most likely won't return your call until *after* you've been renewed. Call the number on the face of your statement! And don't let them call you back! If necessary, ask for a supervisor to get your answer that day. If they are stalling, you are probably close to your renewal date.

Most companies can't charge you a termination fee if you leave the account open but dormant. We've had doctors leave their account open and get charged \$50 a month in fees, while saving over \$1000 a month with International Payment Solutions.

At International Payment Solutions, we never charge early termination fees. It's our way of backing up our promises to you! So if you're considering a change follow this simple advice: Find out **now** what your terms are so you can be prepared in the future!

Leo Townsend, President
International Payment Solutions, LLC
844-483-1995 / 844-483-1996 fax