

# MERCHANT PROCESSING NEWS



October 2006

## What's Inside:

- Purpose of this newsletter.
- What is a Statement Fee?
- What is an Annual Fee?
- What is a Combined Terminated Merchant File (CTMF) list?

## PURPOSE OF THIS NEWSLETTER

It is my desire to both educate and assist business owners on the subject of "merchant services".

## WHAT IS A STATEMENT FEE?

A Statement Fee is a fee charged each month for the paper statement you receive in the mail detailing your merchant account. This fee can range anywhere from \$ 7.50 to \$ 19.95 a month. The industry standard is \$ 10.00. This fee covers not only the paper statement but offsets the cost of 800 number / 24 hour customer service calls. These calls average about \$ 3.00 per call.

Please note that special offers or announcements are normally located on the last page of your monthly statement so it's very important to review that page as well.

## WHAT IS AN ANNUAL FEE?

The Annual Fee was put in place 5 or 6 years ago as a way to offset rising costs of transactions and customer service calls. This fee is depicted on the monthly statement for the first full month of service and typically ranges anywhere from \$ 39.00 to as high as \$ 195.00.

The industry standard is around \$ 50.00. More than this would be considered excessive.

## WHAT IS A CTMF LIST?

A Combined Terminated Merchant File list is a database of merchants who have been terminated by a service provider for some type of misconduct in violation of their Merchant Agreement. (The most serious violation that comes to mind is fraud.) Though the wrongdoing may have been unintentional the consequence is swift and the punishment severe with immediate termination of their merchant contract. Said merchant, tracked by social security number, is immediately placed on the CTMF list which is available to ALL service providers *without exception*.

Once on this list, at no time in the future, would a merchant be considered for approval to accept credit cards. This can, without a doubt, be a kiss of death to a merchant's business.

Now, that being said I have, on the rarest occasion, been successful in advocating for a merchant a CTMF reversal of decision based upon the seriousness of the violation -- but it is very difficult.

**\*\* VITAL:** If you have been placed on this list, inform your intended provider *BEFORE* applying for service.

... *More next month* ...

For more information and timely updates visit:  
[www.merchantprocessingnews.com](http://www.merchantprocessingnews.com)