

# Top 10 Rip Offs

The Controversial eBook Every  
Business Owner Must Read

## **TOP 10 WAYS MERCHANT COMPANIES RIP YOU OFF**



*...And How To  
STOP THEM  
FOR GOOD!!*

BY TOTAL MERCHANT SUCCESS

# Top 10 Ways Merchant Companies Rip You Off...And How To Stop Them...For Good!

## Introduction

You are either a new business looking for your first merchant account, or you're an existing one looking for better rates or better service. Either way, you are going to remember the day you found [Total Merchant Success](#). I know that sounds rather self serving, but once you read this document and understand what sets our company apart it should be a conclusion you will willingly confirm for yourself.

Did you know that in the merchant service industry there are currently between 20 to 30 methods that are regularly used to increase your merchant account fees. Most of these are applied without you ever noticing. When they are noticed they are seldom understood and even much less questioned. In this revealing ebook we are ripping the cover off these scams and exposing their detrimental effects on average business owners and consumers alike. Information is power. As you read this document you should find yourself becoming increasingly empowered to take control over a segment of your business that will make up one of your largest single income sources. If statistics and predictions are correct, your merchant account will increasingly make up a larger and larger portion of your overall income flow. This is due to how the entire world is

becoming highly automated and technologically connected. Right now the credit card industry is already processing some GLOBAL transactions. Soon this will become commonplace as the world grows smaller and as paper and coin monies are used less and less. In this new ecommerce world your merchant account will be more and more valuable. You therefore owe it to yourselves to become as informed as possible. We want to help you do this. In fact, our entire business model is built upon the premise that we win, we realize success, only as we help you do the same.

**Rip Off # 1 The “Promise of a new LOWER RATE” Trick:** This is the most popular, yet seldom caught rip off. It's also the number one question that business owners ask when looking for a new merchant service company. What is your discount rate? Often, if a company can answer with the lowest number they get the sale. What the business owner does not realize is that hidden behind that fantastic rate, the one you are now bragging about to your friends, is an unknown tactic that's about to bite you in the wallet over and over again. I know, I know, you are about to say, "If they promise you a rate in writing they have to stand by that rate, or it's against the law." And you are right. However, the way they legally do this is to wait for Banks to move first and then they are no longer bound. For example, did you know that Visa, Master Card and all the others execute a rate increase between one and three times a year? When this happens your merchant service company uses this unfortunate occasion to pad their own bank accounts. Not only do they pass this mandatory increase on to you, they conveniently add a little increase for themselves, and this is all perfectly legal.

For Example: Let's say your rate is 1.95% when you start. Then, sometime shortly after this Visa applies a Global Rate Increase of .03%. Your rate would automatically go up to 1.98%. But the majority of merchant card companies use this as an opportunity to simultaneously add an increase of their own. Let's just say they add the same .03%. Now your rate, which started at 1.95%, has shot up to 2.01%. That may not sound like a lot, but over a year's time it can quickly add up to hundreds or even thousands of dollars depending on the size of the merchant account.

Here is a fact that ought to help you understand how these merchant card companies can get away with this systematic rip off. Whenever we are asked to give a business owner a quote for new service we always ask them to give us their past three or four months of merchant history to evaluate. We obviously cannot do this with a brand new business, but with an existing one this helps us to give a comparable quote that is based on their processing history. We are frequently shocked to find many merchants who have never opened their processing account statements. One of the reasons why they don't open their statements is because they trust that the merchant service company is going to honor their word and not increase their rates and fees! When we ask about this another reason we frequently hear is that they are too busy and all they care about is the money that goes into their bank. They focus on the bank and not that little bandit that lurks just outside the bank, the one that's quietly scamming thousands... and that's a big mistake, one we hope you will not make yourself.

**The Cure #1 The “Pass Through” Solution:** At [Total Merchant Success](#) we have a great cure for this rip off. First, we not do play the rate game at all. Instead we offer something that is much more valuable to every business owner. We guarantee that once we set your rate we will not increase that rate BEYOND that of Visa, Master Card or the others. We call this the "pass through guarantee". Instead of padding our rates we open the gates and we refuse to be led only by greed. Don't misunderstand us here. We are not saying that money is not important to us. Not at all. In fact, we believe that our philosophy of business is so appreciated by other business owners that we make more money than many of our competitors. The reason for this can be found in a very simple principle: "Give and it will be given back to you, in greater measure." Instead of seeking a business relationship that lasts only up to the moment you discover our rip off techniques, we are seeking a LIFETIME CUSTOMER. Very few people leave our company. They can't afford to. We honestly do not know of a single merchant service company that has a TOTAL package that can beat our rates. That's why we call ourselves [Total Merchant Success](#). If we can make an honest profit and keep you as a customer for life we will, in the end, make more money through volume than we would by having fewer customers who we are gouging and ripping off. If you are a business owner we believe that your business could benefit by adopting this principle as your own. By the way, we teach these principles to average business owners through our parent company, Total Biz Success.

**Rip Off # 2 The “Charging Fees That Are Not Required” Scam:** Is your current processor charging you a “Merchant Club Fee”, “Compliance Fee” or a “Membership Fee” for free paper, all of these types of fees are made up fees and if you are being charged them you are paying TOO much? These fees are not required by Visa or the other bank card companies. Although there are certain monthly fees that are required and in some cases even warranted, you should realize at the outset that most of these fees are negotiable and are charged at the whims and wants of the merchant service company and are often not required. Remember to ALWAYS ASK what a fee represents and to inquire if they are imposed from above or if they are negotiable. You may be pleasantly surprised at the answer.

**The Cure #2 The “Freedom From Unnecessary Fees” Solution:** At [Total Merchant Success](#) we do not pad our fees or add other unnecessary expenses just to earn a few extra dollars. Again, don't misunderstand. We love getting extra money. We love a raise, a bonus, a cash increase of any kind, just like the next guy. However, it's because we love this extra cash that we do not engage in these tactics. You see, if we can help you to be more successful you're going to spend more of your "success dollars" on growing your company. When your company grows our bank account grows right alongside you. We would much rather get our raise as a result of you getting yours FIRST. When merchant companies turn this principle into an everyday reality everyone wins. That's why many of our competitors go out of business so rapidly. They honestly believe they can make more money, more quickly, if they rip others off and take

shortcuts to success. For some reason this kind of dysfunctional thinking is rampant in the card service industry. That's why you need to do some serious research before you sign a one to four year contract with a merchant processor. Once you sign that contract you are legally bound to their terms. Take this necessary business step seriously and you will save thousands of dollars every year.

**Rip Off # 3 The “Non-Qualified Transaction” Ploy:** Most processes know that a business owner will pay more money for every transaction if they cannot verify the address from each customer. Address verification is just one of the many "Risk Factors" that go into the credit card rate and fee system, all of which is passed on to the average consumer. When you think about it, it really does make sense. Some people do misuse their credit cards and rack up huge sales with no intention of paying back what they owe. Therefore, the banks want to verify as much as they can about the one using the card. If they can get this information they are willing to reduce their fees in exchange for reduced risk. But if your merchant service company wants to use this little know fact to hide the extra expenses it can mean another source of revenue for them. You would be surprised how many actually do this.

**The Cure #3 The “AVS In Advance” Solution:** Unfortunately, unless you request that your processor program your terminals to include AVS (address verification stamp) it may never happen. At [Total Merchant Success](#) we automatically program your AVS into every terminal. In fact we look for this and

other ways to help you save money so you can have every advantage to succeed. This may sound like a small item when you consider the total scope of your business income. However, we learned long ago that all these "small" things add up quickly. So take our advice and avoid all Non-Qualified transactions in the future and save your hard earned money for that much needed vacation.

**Rip Off # 4 The “Free Things That Are Never Free” Scam:** Most processes lure you in by offering to give you something free. This tactic is as old as the earth and probably existed during the cave man days, even before Geico. In fact, I think we are using this strategy very effectively with our promise to give you a free terminal (not bad, huh?). So obviously, we are not against this principle. What we are against, however, is the giving of things like "free paper" and "free print ribbons" and other such items when you know you are paying for these by increasing your fees for other items or services.

**The Cure #4 The “Value Over Time” Solution:** You may rightly ask us how we are able to give away our free terminals. Don't we have to pay for these somehow and therefore aren't we engaging in the same practice we are condemning? Great question and the answer is NO! Here's why. Yes, of course we have to pay for those terminals and we do that by giving you a very value based fee structure. What this means is that over the first year we use your fees to pay for these and other expenses. We only begin to make money after we prove our service to you and as you continue to use our service on into the later part of your contract. Again, we believe that if we do not try to gouge you with

unfair costs your business will succeed and we will develop a win/win relationship. We don't have to get rich quick. Instead we want to get EXTREMELY RICH more slowly and with a greater degree to certainty.

**Rip Off # 5 The "Don't Ask & Don't Tell" Scam:** If you are a business owner you MUST understand this rip off and do everything in your power to avoid being sucked into the ignorance that is at the source of this growing problem. Most of us know the difference between a credit card and a debit card. Most of us think our credit card terminals should know that also. However, many people do not realize that unless the customer uses their debit card PIN NUMBER they are most likely not going to get the rate they expect, and neither are you as a business owner. You would think this one should be against the law. The fact is, business owners are often so busy that they do not read either instructions or directions, thus leaving themselves vulnerable to the very tactics that depend on ignorance to work. The merchant company does not have to tell this to the business owner, and if the owner never asks this little scam can add up to lot's of money over time.

**The Cure #5 The All Cards On The Table Solution:** You might ask how these rip offs can go on when millions of people use credit cards. The answer is simple. Most new business owners know little about the ins and outs of running a business. That's why such a high percentage of them fail annually. We are [Total Merchant Success](#) want to see these numbers change. If more people approached business with the same philosophy we aspire to we would see more

success. At the heart of our values is the commitment to put all our cards on the table. We not only give honest answers to all the questions our business owners bring to us, we go out of our way to INSTRUCT and to MENTOR each owner so that they are better prepared for the realities of the business world. This includes things like how to get the most out of debit cards. That's the motive behind this book. We know that we could use some of the tactics to add a few more dollars to our pockets. However, there is something more important in life than just money. We get a great deal of satisfaction from helping others succeed. That's why our main web site is Total BIZ Success. Our new membership site at this address is being constructed now, so look for it soon as a place to support the average business person.

**Rip Off # 6 The Secret Time Bomb:** Most business owners never see this one coming. The reason is simple and it's even understandable. After all, how many times have you read EVERYTHING contained in a contract, especially when you feel the details were already discussed and understood. Wisdom tells us that we should always read our contract, but the fact is we often do not. Merchant Service companies count on this so they can position their new client for one of the most common rip offs in the industry. Here is how it works. Because most customers looking for service are mesmerized by THE RATE they often sign the contract once they think they have secured a good one. What they fail to see in the fine print is that after 6 months those great rates go up automatically (something they forgot to read). Next to slipping in a rate increase when Visa

gives a global increase, this is one of the most popular rip offs on the market today.

**The Cure #6 The No Surprise Solution:** If you want your customers to trust you there needs to be trust where it counts most, in the fine print. If you ever find techniques like the "time bomb" being used against you, you should immediately commit yourself to changing service providers as soon as your contract allows. If they will treat you like a fool in the fine print they will do it any other time they can also. At Total Merchant Success we welcome our clients to read EVERYTHING in our contracts. They won't find anything we have not discussed; especially things like hidden rate increases that are tucked away in the smallest fonts available. This is not good business and it's a pure rip off.

**Rip Off # 7 The “We Never Thought You Would Succeed” Trap:** Most business owners want their business to grow. However, many merchant companies write their contracts with the expectation that the company in question will NOT GROW. This rip off is especially cruel. We often see contracts that put the limit for "the largest single purchase" so low that when the company does begin to grow and to process larger transactions, the bank will often hold your money or penalize you for your OVER LIMIT transaction.

**The Cure #7 The “Great Expectation” Solution:** Like all the other rip offs, this problem could have easily been avoided by writing the merchant contract correctly in the first place. The contract should be written with success in mind. There is absolutely no reason a merchant company would write a purchase limit

so low unless it intentionally expects to capitalize on it later. Yet this is what we see all the time. How sad for the business owner to wake up one day only to see that his success has cost him dearly and in some cases may even shut him down. If the merchant bank kept \$10,000 of your profits for over 40 days what would this do to your business? For some, it's enough to shut them down.

**Rip Off # 8 The "If It's Broke Don't Fix It" Scam:** Did you know that if your merchant equipment is not working properly that it usually means the merchant processor makes more money off of you? No, I bet you did not know this one either. For example if a terminal doesn't have enough memory to hold the right programs your hand keyed transactions will cost you more because you have to remember that this industry is all built on RISK, and the more risk to the processor the more you as the merchant pays. Also, if the swiper is broken it means that all of your transactions have to be hand keyed in and your fees double because of the risk to the processor is greater. This is one of the MAIN reasons that many merchant companies only give away USED and REFURBISHED terminals. It is a well known fact that these will break down sooner than new equipment.

**The Cure #8 The "Let's Start New" Solution:** The main way that [Total Merchant Success](#) solves this problem is to avoid much of it altogether by giving away BRAND NEW TERMINALS. That's right. We are one of the few companies who give brand new equipment with their initial offer. This equipment is not as likely to break down and thus it's not likely to cause the merchant extra

expenses. We love the ideas that you can execute your business without a hitch. Business should be fun as well as profitable. We think the new equipment also look cool. We like that. We all think we are kind of cool so we like the thought that everyone we work with is also very cool. If you look on our web site you will see that everyone of the products we give away is new. We pride ourselves in offering you the very best

**Rip Off # 9 The “If You Catch Us We Are Sorry” Trick:** Don't expect anyone (and I mean anyone) to own or even to discuss this rip off. Believe us when we say that it happens and if you are with one of the big processors you might even watch for it. Here it is in a nutshell. Some of the large companies have a client list in the hundreds of thousands. Let's just say they need to build a new building or expand their operations in other ways. Instead of going to the bank to secure a long term load for a few million they have another option. They can up your rate at any time IF THEY GIVE YOU A 15 DAY NOTICE. Read that statement again. Any merchant company has the right to increase their rates if they give the proper notice. They can also add a new fee to your account if they can justify it as a legitimate expense. Think of how much money could be raised if an annual fee of \$25 was added to the accounts of 400,000 customers at one time. If you think this is a farfetched idea then think for a moment how many times you have called a company about a charge that you did not understand or appeared on your statement for no apparent reason. No think of the number of times you call about things like this AND THEY GET TAKEN OFF AND YOU RECEIVE A

REFUND? If anyone calls the merchant company on this they can just say “I’m sorry, we will take that off.” But how many do you think will call?

**The Cure #9 The “Love Is Never Having To Say You’re Sorry” Solution:** If

you can’t trust your merchant service company you should find one you can trust. We work hard to earn your respect. We wouldn’t be writing a revealing ebook like this one if we did not intend to be transparent and honest with all our customers. We don’t want to depend on rip offs to build new buildings or to expand our business. We are banking on our company growing bigger and better than many others BECAUSE we don’t engage in trickery or deceit. To us, love is never having to say “I’m sorry I ripped you off, it won’t happen again.” Love is never engaging in this kind of behavior in the first place.

Drum Roll Please.....We are down to our last rip off:

**Rip Off # 10 The “You Need This Just In Case” Scam:** Have you even been sold something you did not need? We all have, more often than we like to say. Well, one of the ways your merchant company ramps up your fees up is by adding services to your contract that you may not need. There are so many of these that we advise you to literally question EVERYTHING you don’t understand and most of the one’s you do. For example, small business owners are often sold a check recovery service that is only valuable if you experience over a certain amount of bad checks per year. Many stores receive few bad checks due to the nature of their business. For others this service may be a true value. For some merchant services companies it does not matter. If they can make an extra buck

by getting you to “think” you need that service they will. So be aware and always ask questions.

**The Cure #10 The “Custom Fit” Solution:** Our point is that no one contract fits everyone. That’s why we like to talk to the customer first and to find out their business needs. This way we can develop a CUSTOM PLAN that meets their needs. Of all the points we have shared this one is critical. All of the above rip offs could be avoided if you had two things: 1. An honest merchant service company who desires to build their business on honesty and trust. 2. A custom contract that fits the exact needs of the business owner. Very few of these are ever the same.

## In Conclusion

We know that you are busy. We also know you don’t have time to read lots of research or to examine every company before you buy a product or service from them. We are exactly like you if truth be told. That’s why we at [Total Merchant Success](#) are constantly looking for companies that are LOOKING OUT FOR US, EVEN AS THEY TAKE OUR MONEY. These kinds of companies do exist. And when you find them it’s up to you to support them and help them become better. We hope to start a new underground revolution among average business owners who share these values. If we ban together we can make a significant difference and our companies will grow as a result. We have joined a new powerful company called **PHILANTHROBIZ**. This company is committed from their very

foundations to teach the very best business principles, to create a network of likeminded business owners, and to encourage philanthropy and giving back as a way of life. Look for their new social network and membership site soon at ***PhilanthroBiz.com***. It should be up and running by October 2007. Join the revolution with us. And in the meantime let's get you one of those free terminals and write you a custom contract that will help to fuel your business into a new level of success. We love it when we can contribute to your growth. If you have ANY questions please call our toll free number at: **1-877-500-7445**