THE DEFINITIVE MERCHANT SERVICES PARTNERS GUIDE

PROS, CONS AND MORE

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WHICH PROVIDER TO CHOOSE?

If you want to serve your customers, you know the importance of debit and credit card acceptance. When 1,000 consumers were asked[1] what form of payment they prefer in the 2017 *U.S. Consumer Payment Study*, **44 percent chose debit cards and 33 percent chose credit cards.**

FORM OF PAYMENT CONSUMERS PREFER:



Less people today are carrying cash than ever before. A 2017 study[2] found **50 percent of people carry cash with them less than half the time they're out.**



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You know you need credit card processing, but now the question is, **which payment processing provider should you work with?** From fees and rates, to equipment and technology, there are many factors to consider when choosing a merchant services provider. Here's a comparison of some of the most popular payment processing tools available, breaking down the pros, cons and other must-knows to make the best decision for your business.

Sources:
[1] https://www.creditcards.com/credit-card-news/payment-method-statistics-1276.php
[2] https://www.cnbc.com/2017/11/01/heres-how-many-americans-say-they-dont-carry-cash.html



SQUARE

Square is a magstripe reader that can be plugged into mobile or tablet devices. There is a flat fee for all transactions, at 2.75 percent per swipe, dip or tab. Or, 3.5 percent plus $0.15 per keyed-in transaction. The reader is free.

Square also offers a point-of-sale device called Square Register, which costs $999. All tap, dip and swipe transactions on Square Register cost 2.5 percent plus $0.10.

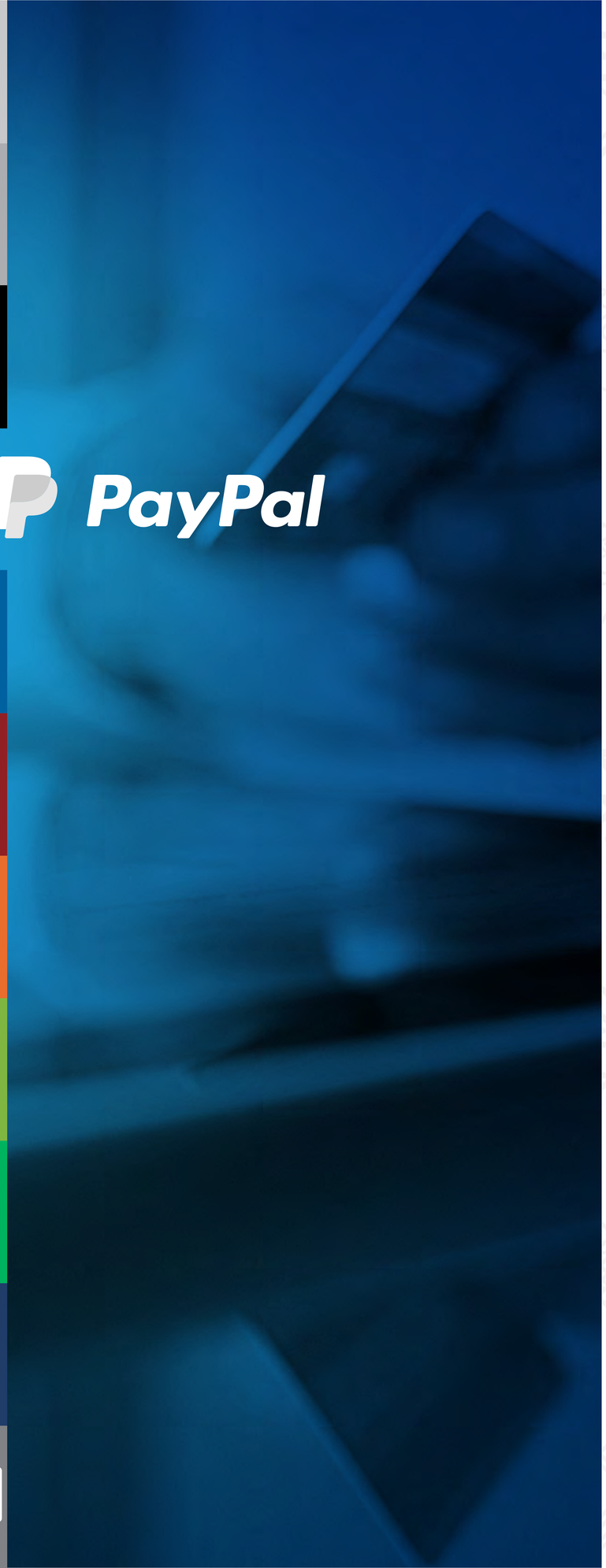
Square works with its branded applications including Register, Wallet and Market. These applications provide analytics, stored fund payments and the ability for businesses to offer online payment options. There are also business management tools included with any Square service, such as inventory management and customer loyalty programs.

Pros: Square is one of the easiest credit card processing devices to use. Simply set up your account, plug in the device and start accepting payments.

Square's simple rates make it a favorite of merchants that don't process a high volume of payments, like those who need credit card processing on-the-go, away from a brick and mortar location.

There are no monthly fees for Square, and you're never locked into a contract.

Cons: Square's live phone customer support is only available Monday through Friday, from 6 a.m. to 6 p.m. PST. For businesses that operate outside those hours, you might get left hanging if you need support.



PAYPAL

PayPal is a web service that enables anyone with an email address to provide and accept credit card or debit card payments. A PayPal business account allows businesses to accept payments in person or in a store through a mobile card reader or contactless payments. Businesses can also accept credit card payments online, through email invoices and by phone with a virtual terminal.

Mobile and in-store payments through PayPal cost 2.7 percent per swipe or 3.5 percent plus $0.15 for keyed-in sales. Online payments and invoicing cost 2.9 percent plus $0.30 per transaction. Virtual terminals through PayPal require a $30 monthly fee.

PayPal integrates with ecommerce solution providers, including Shopify, WooCommerce and Intuit QuickBooks. For businesses accepting payments in person, the virtual terminal comes with an optional credit card reader, which plugs into the USB port of a computer. There is also a mobile payment app and card reader called PayPal Here, which enables smartphone credit card acceptance.

Pros: PayPal merchant services are ideal for web-based businesses. The ease of use for accepting electronic payments is also notable.

PayPal offers shopping cart integration and “buy now” buttons for web pages, making it an easy platform to add to ecommerce businesses.

Cons: If you want enhanced security for your business through PayPal, advanced fraud protection services will cost $10 each month, plus $0.05 per transaction.

For businesses with high volumes of transactions, PayPal rates quickly climb to higher costs.



NAB

North American Bancard (NAB) is a merchant services provider offering the largest selection of free EMV chip-ready equipment on the market. Merchants can use North American Bancard for point-of-sale credit card processing, as well as mobile, tablet, ecommerce and virtual terminal solutions.

Rates with North American Bancard start at 0.29 percent per transaction, which is one of the lowest rates available on the market. There are no cancellation fees, and service is provided on a month-to-month basis.

All credit card processing with North American Bancard is PCI-compliant, and NAB provides fraud detection to monitor business threats. Equipment arrives pre-programmed, so businesses can immediately get started accepting credit card payments. All North American Bancard services include the MyBizPerks Insights powered by Womply tool, which is a free business analytics tool delivering local and customer insights.

Pros: Merchants with a variety of payment processing needs can use NAB for all their services.

There is no need to invest in pricey equipment or worry about fixing or replacing outdated equipment. All equipment is provided and maintained for free by North American Bancard.

North American Bancard offers 24/7/365 customer support, and merchants talk to a live United States-based representative.

Cons: Each service contract may include unique stipulations. Businesses should talk with their NAB representative to fully understand all agreements.



DHARMA

Dharma merchant services use an interchange-plus pricing model, which means businesses pay a markup between 0.2 and 0.25 percent for offline transactions, plus a fee of around $0.10 per swipe.

Dharma does not charge merchants application fees or annual fees. Dharma requires no monthly minimums to use its merchant services. All accounts include month-to-month billing, and there are no early termination fees. Dharma does charge a $10 monthly fee, plus a $7.95 PCI-compliance fee. Other fees may be added to special transactions.

Dharma offers several packages to choose from, including one for online ecommerce businesses, one for storefronts and one for restaurants that provides discounted rates. Dharma offers point-of-sale equipment that includes a Clover Mini station, which costs $499 plus a monthly fee of $10.

Pros: Dharma is well-regarded in the industry for its sales transparency. Fees and rates are clearly outlined on the merchant services provider website, so businesses fully understand how they will be charged.

Restaurants and quick-service merchants that process a high amount of credit card transactions may benefit from Dharma, thanks to the low rates (0.2 percent plus $0.07 per transaction above interchange).

Cons: Businesses that process less than $10,000 a month in credit card transactions will likely be able to get better rates with other payment processing providers, due to monthly fees.

All Dharma equipment must be purchased to be used.



FATTMERCHANT

Fattmerchant is a subscription-based merchant services provider, which charges merchants a flat monthly fee and a fixed per-transaction fee. The company offers a month-to-month contract, with no cancellation penalty. Fattmerchant does not charge statement fees, PCI compliance fees, monthly minimum fees, annual fees or batch fees. There is a 0 percent markup rate with a Fattmerchant subscription.

Fattmerchant's pricing plans include a $99-per-month standard plan for businesses processing less than $1 million annually, and a $199-per-month enterprise plan for businesses processing more than $1 million annually.

In the standard plan, businesses are charged $0.08 per transaction for countertop, mobile and third-party integration. Or, $0.15 per transaction for online and virtual terminal transactions. In the enterprise plan, businesses pay $0.05 per transaction for countertop, mobile and third-party integration, or $0.10 per transaction for online and virtual terminal transactions.

Fattmerchant's predictable and transparent price plan means businesses can save more as they grow. Fattmerchant provides web-based software to manage transactions, which includes advanced invoicing, billing, financial reports, inventory management and more.

Pros: Businesses that process a high volume of transactions will benefit from the enterprise plan's dedicated account manager, risk monitoring and chargeback assistance.

Fattmerchant includes next-day funding and a free analytics dashboard and tools.

Cons: The Fattmerchant transaction rates may work better for businesses that process mid-volume transactions or higher, and not for smaller businesses.



PAYLINE DATA

Payline Data is a payment processing provider that offers mobile, point-of-sale and ecommerce credit card processing. Payline Data provides interchange-plus pricing for all merchants, month-to-month billing, no long-term contracts and no early termination fees. Some plans may receive free terminal equipment, and all plans include a $29 monthly minimum fee.

Payline Data charges monthly fees depending on the type of plan a merchant selects: Start (for small businesses), Shop (for growing businesses) or Connect (for ecommerce businesses). Payline Data works with high-risk merchant account providers, though high-risk businesses may be subject to higher rates and fees compared to non-high-risk businesses.

Payline Data's retail and ecommerce services include support for EMV- and near field communications-based payments. Payline Data offers 24/7 customer support, via phone and email.

Pros: Payline Data's transparent pricing models makes it simple for businesses to choose a plan that works for them, depending on the rates, fees and terms each plan offers.

Merchant accounts for registered 501(c)(3) charities can get special discounted pricing through Payline Data.

Cons: Merchants may be able to find lower credit card processing rates from other vendors, which may work better for their needs, depending on sales volume.

Payline Data equipment must be purchased.



CDGCOMMERCE

CDGCommerce provides ecommerce, point-of-sale, swipe and mobile credit card processing solutions with interchange-plus pricing available to merchants that request it. There is no account setup or application fee, and there are no monthly minimums.

Merchants can get a free swipe terminal in a month-to-month plan with a $79 annual fee. For a $39 monthly fee, point-of-sale equipment and mobile readers are included. Ecommerce merchants can use CDGCommerce's Quantum Gateway, a free payment gateway solution with $0 in monthly fees and $0 in per transaction fees. Setup is free, and contracts are month-to-month.

The CDGCommerce Merchant Portal offers businesses robust reporting features, including merchant reporting with details on transactions and banking activity, graphical analytics, risk management reports, automated alerts for suspicious activity and QuickBooks integration.

Pros: CDGCommerce services are focused on ecommerce businesses. For online businesses looking to grow into a retail space, CDGCommerce services support that.

CDGCommerce offers simple, transparent pricing. The company also provides always-on customer service and support.

CDGCommerce boasts a retention rate of 97 percent for its clients.

Cons: The CDGCommerce mobile card reader is not EMV-compatible, which puts merchants at risk when mobile fraud occurs.

Data breach insurance and other security features must be added on to each plan.



HELCIM

Helcim provides merchant services solutions including credit card and debit card terminals, a mobile application for smartphone payment acceptance, a virtual terminal, a tablet point-of-sale application, hosted payment pages for ecommerce payments and a payment gateway API that allows merchants to integrate payments in an app or website.

Helcim offers interchange-plus pricing with markup rates on retail transactions at around 0.18 percent, with discounts for businesses with higher monthly volume. Virtual terminal ecommerce plans cost $25 per month and include similar fees to retail and mobile. Helcim's fees and rates make it a choice most suitable for small-to-mid-sized businesses transacting up to $20,000 per month.

Helcim has no monthly minimum fees. Payment processing costs are month-to-month and include PCI compliance. Helcim does not require introductory rates or cancellation fees.

Pros: Newer businesses with low monthly transaction volumes may benefit from Helcim's low rates. Also, as businesses grow and transaction volumes increase, discounts on higher volume enable businesses to save money.

Helcim guarantees not to increase cost plus margins for the lifetime of service with each merchant.

Cons: Helcim's pricing structure does not make it a cost-effective solution for merchants processing less than $1,500 per month.

The Helcim mobile card reader is not EMV-compliant, which puts merchants at risk when fraud happens.

CONSIDERING MERCHANT SERVICES?

As you can see, there are many merchant services providers available for all types of businesses, in all types and sizes. The rates, support, equipment and security you're in need of can help you decide on the best payment processing provider.

If you're in search of credit card processing for your business, **North American Bancard** is a merchant services provider offering free consultations. **Contact us** to learn how North American Bancard can work with your business.