

Merchant Credit Card Services

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Credit Card Processing Fees are a cost of doing business today. However, many companies do not fully understand their monthly fees since the fee calculation can be complex and may be 'padded' with extra charges.

A Merchant has a variety of fees, some periodic, others charged on a per item or percentage basis for credit card transactions. Some fees are set by the merchant account provider, but the majority of the fees are passed through the merchant account provider to the credit card issuing bank according to a schedule of rates called **interchange fees**, which are set by Visa, Discover, and MasterCard. Interchange fees vary depending on card type and the circumstances of the transaction. For example, if a transaction is made by swiping a card through a credit card terminal it will be in a different category than if it were keyed in manually.

Credit Card processing fees consist of two distinct components.

- The first and largest component is the 'Interchange Fee' that is charged by the credit card issuer (VISA/MasterCard/Amex/Discover) to all merchants.
 - The interchange fee is collected by the Credit Card Processing Company and/or client bank and are pass through costs for the processing company.
 - These Interchange Fees are fixed by the credit card companies and are essentially not negotiable.
- The second component of the fees are the amounts charged by the Credit Card Processing company and/or the client's bank.
 - This is an additional, usually smaller, fee for the transaction processing company which is often referred to as a discount rate, or an add-on rate.
 - These 'processing fees' vary widely and are negotiable.
 - **Paladin Associates** has a Leveraged Purchase Agreement with one of the major global processing companies that can offer significant savings for many companies.

Paladin's Solution Partner for Credit Card Processing Services:

- Operates globally and serves merchants across 146 countries with 25 office locations in key markets. The majority of the company's 4,500 staff are located in the UK, the US, India and Canada but are also present in Brazil, Mexico, Argentina, Japan, China, Sweden, the Netherlands and Singapore.
- Maintains a network which is able to accept payments from geographies covering over 99% of global GDP.

The potential savings are significant and range from 15% to 25% or more.

Success Stories:

- Paladin and our Solution Partner recently saved a Retail Automotive and Leasing company over 50% on their Credit Card Processing Fees.
- Several other clients have savings opportunities exceeding 35%.

Getting Started: To complete the assessment of potential savings all that is required are copies of the Merchant Fee Statement for the last 3 months from your current Credit Card processing Company or your bank.

Paladin Associates Inc., a Sourcing Cost Reduction firm, offers strategic sourcing expertise for multiple commodities to secure "fast track" quantifiable savings and long term cost reduction programs.

We can help you with technology implementations such as spend analysis and eSourcing as well as sourcing process improvements, skill training and staff development while delivering bottom line savings with a guaranteed ROI. For more complete information, visit:

www.PaladinAssociatesInc.com