



From the

Heartland Newsroom

Insights, articles and news

HeartlandPaymentSystems.com

Can They Do That? Many Payments Processors Unnecessarily Hike Fees For Restaurateurs Despite Economic Crunch.

In today's economic climate, most restaurants are retooling their processes to simply survive. While some companies are going the extra mile to deliver exceptional customer service, others are reverting to slick practices of charging murky rate increases to discreetly improve their bottom lines.

According to the experts at Heartland Payment Systems®, many processors hike up their fees twice a year when the card brands (Visa®, MasterCard®, Discover® Network and American Express®) adjust their interchange rates — typically in April and October. Interchange is the fee charged for passing financial transaction information back and forth between your restaurant, a payments processor (such as Heartland), the card brands and the banks that issue credit, debit and prepaid cards. This fee is imposed by the card brands — not by the processor — on every card transaction you process.

Many processors charge subtle rate increases — for example, a few cents per transaction — which add up significantly over time. They don't disclose the breakdown of costs, so merchants like you believe that card companies are charging higher interchange rates than they actually are.

“Larger merchants typically have the resources to identify and refute these fees, but most small and mid-sized businesses can unknowingly fall victim to paying them,” said Sanford C. Brown, chief sales officer at Heartland. “Our relationship managers who interact daily with merchants have seen many unscrupulous and confusing practices when it comes to hidden and unjustified fees,” Brown continued. “We believe processors should always clearly communicate processing fees and pricing to merchants, and pass them through ‘as-is,’ so merchants know exactly what they are paying.”

Brown added that ongoing awareness, full disclosure and a thorough review of processing statements are key steps for understanding your true processing costs.

One way to educate yourself about the costs and complexities of card processing is with the Merchant Bill of Rights. Established by Heartland and proposed as an industry standard, it outlines 10 fundamental rights to protect business owners and promote fairness and transparency in credit and debit card processing. Know your rights by visiting MerchantBillOfRights.com.

Another helpful tool to utilize is CostOfABurger.com, an educational site that discusses the intricacies of processing statements and offers a fictional monthly statement to use as a tutorial when reviewing your own.



Heartland Payment Systems, Inc. (NYSE: HPY), the 5th largest payments processor in the United States, delivers credit/debit/prepaid card processing, payroll, check management and payments solutions to more than 250,000 business locations nationwide. Heartland is the founding supporter of The Merchant Bill of Rights, a public advocacy initiative that educates merchants about fair credit and debit card processing practices. For more information, please visit HeartlandPaymentSystems.com, MerchantBillOfRights.com, CostOfABurger.com and E3Secure.com.

This article represents the opinion of its author and is provided for informational purposes only. It is not intended to and does not constitute legal advice and should not be viewed or acted on as such. Please retain your own legal counsel and seek your own legal advice on any legal questions, issues or concerns. The information contained herein does not represent the legal opinion of Heartland Payment Systems, Inc. (“Heartland”), its officers, directors, employees or shareholders. Heartland does not represent or warrant that the information contained herein is accurate, all-inclusive or complete.