

# 7 Signs Your Business May Be Overpaying for Card Processing

A free resource from Moore Strategy Group. Use this guide to identify common warning signs that your current merchant services setup may be costing you more than it should.

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## 1 Sign #1: Your Effective Rate Is Above 3%

Your effective rate is the total amount you pay in processing fees divided by your total card volume. Most businesses should be well below 3%. If you are above this threshold and have not recently reviewed your statement, there is a strong chance you are paying more than necessary. Many processors bury their true effective rate in complex statements to make it harder to spot.

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## 2 Sign #2: You Have Not Reviewed Your Statement in Over 12 Months

Processing fees are not static. Interchange rates change twice a year, and processors often quietly introduce new fees or increase existing ones. If you have not reviewed your merchant statement in the past year, you may be paying for fee categories that were added without your explicit agreement or awareness.

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## 3 Sign #3: You Are Paying a Monthly Minimum or Service Fee

Monthly minimums and service fees are common add-ons that many business owners do not remember agreeing to. These fees are charged regardless of your processing volume and can add up to hundreds of dollars per year. If you see a line item for a monthly minimum, service fee, or account maintenance fee, it is worth questioning.

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## 4 Sign #4: You Are Leasing Your Payment Terminal

Equipment leases are one of the most costly arrangements in merchant services. A terminal that retails for \$200-\$400 is sometimes leased for \$30-\$80 per month on a non-cancellable 48-month contract -- meaning you could pay \$1,500 or more for equipment worth a fraction of that. If you are leasing, a review could save you significant money.

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## 5 Sign #5: You Are on a Tiered Pricing Model

Tiered pricing (qualified, mid-qualified, non-qualified) is one of the least transparent pricing structures in the industry. Most card transactions end up in the more expensive mid-qualified or non-qualified tiers, even though they are marketed at the lower qualified rate. Interchange-plus or flat-rate pricing is almost always more transparent and often more cost-effective for established businesses.

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### **Sign #6: Your Processor Is Difficult to Reach or Slow to Respond**

Poor customer support is a sign that your processor prioritizes acquisition over retention. When equipment fails, chargebacks occur, or billing questions arise, you need a responsive partner. If you regularly struggle to reach someone who can actually resolve issues, it may be time to evaluate your options -- even if the pricing seems acceptable.

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### **Sign #7: You Feel Locked In and Unsure of Your Options**

Many merchant agreements include early termination fees, auto-renewal clauses, and liquidated damages provisions that make switching feel risky or expensive. However, these terms are often negotiable, and in some cases the savings from switching providers outweigh the cost of exiting a contract. A clear review can help you understand exactly what your contract says and what your real options are.

**Ready for a Free Processing Fee Audit?**

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