

FEES TO UNDERSTAND

In this guide we explain what a credit card processing fee is, what goes into it, how fees affect your rate, and how you can reduce your transaction fees.

Intro

Credit card processing fees, also known as qualified merchant discount rates are the fees a merchant pays for each credit or debit card sale. This fee is predetermined by your merchant services provider and usually involves three components: interchange fees, assessment or service fees, and the payment processor's markup.



Deep Dive

Who decides on credit card processing fees?

Generally, there are three parties involved in credit card processing - the card issuer, the card network, and the payments processor.

The card issuer is the bank or financial institution that issues cards directly to consumers. US Bank, Capital One and Bank of America are examples of card issuers. The card issuers partner with networks such as Visa and Mastercard on credit and debit cards. For each card transaction, the card issuer charges a merchant a commission for the ability to accept the card - typically, a percentage of the transaction amount plus a flat fee.

The payments processor (PayHawk) is the financial institution that works in the background to securely process and complete a credit or debit card transaction. To facilitate all of this, payments processors usually have partnerships with other companies or brands that work directly with consumers and merchants. Like card issuers, payments processors typically charge a percentage of the transaction amount plus a flat fee for each credit or debit card purchase.



What goes into average credit card processing fees?

When it's all said and done, the average cost of processing payments for U.S. businesses that do between \$10,000 and \$250,000 in annual payments volume is between 2.87 percent and 4.35 percent per transaction.

Many factors determine how much you may ultimately pay, including PCI-compliance fees, annual account fees, and chargeback fees.

PayHawk has competitive, transparent pricing with support 24/7 so you know exactly how much you're paying to process credit and debit cards per transaction. It's \$12 a month and 2.95% + \$0.30 for all transactions. This pricing doesn't change whether it's in person, online, invoicing etc. There are no monthly or hidden fees, and PCI compliance and 24/7 help from us are included in our flat rate pricing.



P A Y H A W K



Personal



Fast



Straightforward



Secure

Every business has different needs when it comes to taking a payment.

GET STARTED TODAY

Need help filling out the form? We'll help you get started with some frequently asked questions explained a bit further.

1. Corporate Name and DBA

A DBA, or “doing business as”, comes into play if, for example, your corporate legal name is “The Jane Doe LLC” but you want customers to know you as “Superlative Sally” or, well, anything besides “The Jane Doe LLC.”

2. Business Type

Did you register your Avon business as an LLC, partnership, or sole proprietorship?

3. LLC TYPE

If you registered your business as an LLC please specify the LLC type as a corporation, disregarded entity, or partnership.

4. Physical Address vs. Legal Address

Your company's business address is your business's physical address. A legal address is used for official purposes such as for serving a notice or for tax reporting.

5. State of Incorporation

The state of incorporation refers to the state where your company was registered.

6. Maximum Ticket Amount

Essentially this is the highest ticket that you usually take. Processors will flag any higher than normal transactions so it's good to give them a heads up to expect the higher ticket amount once in a while.

MORE QUESTIONS?



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