

Title:

Applying For Merchant Accounts

Word Count:

444

Summary:

For most businesses, a merchant account is essential to economic growth. Providing business owners with a way to accept credit and/or debit cards, gift cards and other forms of electronic payments, merchant accounts are commonly referred to simply as credit card or payment processing. As a general rule, any merchant who accepts payment in exchange for goods or services must apply for a merchant account if they wish to accept electronic payments. Surprisingly, however, not eve...

Keywords:

merchant account, accept credit cards online

Article Body:

For most businesses, a merchant account is essential to economic growth. Providing business owners with a way to accept credit and/or debit cards, gift cards and other forms of electronic payments, merchant accounts are commonly referred to simply as credit card or payment processing. As a general rule, any merchant who accepts payment in exchange for goods or services must apply for a merchant account if they wish to accept electronic payments. Surprisingly, however, not everyone is approved for merchant accounts. One example of a potential problem could be a business owner who has little or no credit or even a poor credit history may find it difficult to obtain a merchant account.

For many online entrepreneurs, PayPal has revolutionized the way people do business. An online payment system that allows you to instantly send or receive payments using a credit card or checking account, PayPal does not require that its users have a merchant account nor do they perform a credit check prior to issuing an account. In a nutshell, anyone with any type of credit history can sign up for a PayPal account and begin accepting electronic payments within minutes.

For those who do not use the internet, but rather need merchant accounts for in-store payment processing, you will find that there are fees that accompany each credit card payment. The actual cost will vary among providers, but the fees are always present. Among the common fees charged include transaction,

authorization, statement, monthly minimum and chargeback fees. A chargeback fee is automatically charged to the business owner if they process a credit card payment that is ultimately denied for any reason. In this scenario, the business owner would then be responsible for having their customer pay the chargeback fee in order to compensate the business for its cost.

In order to apply for merchant accounts, business owners must be able to provide a valid business license, description of the company, business location and other verifiable information used to perform a credit check on the owner. Upon approval, the bank will issue a credit card terminal and/or other equipment that will be used to process payments. Depending on the terms of the agreement, the equipment may or may not remain the property of the issuing bank.

When deciding where to apply for merchant accounts, business owners should consider starting at the bank where they already have a personal account. This will enable them to do business with a bank that they are already familiar with and they may find that their past responsibility in handling their own account may carry substantial weight when applying for merchant accounts from the same institution.