

Title:

Best Merchant Services

Word Count:

371

Summary:

A High-risk merchant account is a merchant account service provided to internet merchants that have been declared "high-risk" by Visa and MasterCard. This is owing to the nature of their businesses, that have a high credit rate or a high turnover but also, an increased risk of fraud and chargebacks.

Keywords:

Merchant Account, best merchant account, internet merchant accounts

Article Body:

A High-risk merchant account is a merchant account service provided to internet merchants that have been declared "high-risk" by Visa and MasterCard. This is owing to the nature of their businesses, that have a high credit rate or a high turnover but also, an increased risk of fraud and chargebacks.

Characteristically, it's very hard for high risk and non-US businesses to obtain a merchant account. High risk merchant accounts offered by different service providers allow International Merchants to privately process their credit card transactions and have the proceeds sent to an offshore bank account. The fees are higher for offshore/high risk credit card processing.

Credit card processors are likely to reject you if your business is considered high-risk. The aim is to locate a credit card processor that gets you approved and has you up and accepting credit cards quickly and efficiently, with either a high risk merchant account or an international merchant account.

Examples of high risk merchant accounts include pharmaceuticals, telemarketing, infomercials, travel industries, online dating, replica, gaming etc. Some of these are considered more high risk than others.

High risk merchant accounts are available with international banks. A merchant has to do the following to obtain a direct account if their merchant account is considered high risk:

1. Incorporated in the bank's jurisdictions (this requirement is based on credit

card operating regulations)

2. Have 6 months of existing processing history (preferable the last 6 months)
3. Chargebacks in the last 6 months must be less than 1 %.
4. Pay the required set up fees
5. Provide principal's passport, business incorporation documents - some jurisdictions require a local nominee director's passport and a utility bill of the nominee director. This is done to avoid cross border issues.
6. The merchant website has to be in compliance to Visa and MasterCard requirements

These merchant accounts can also be classified as offshore high risk merchant accounts, international merchant accounts, and high volume merchant accounts.

The other option if you do not have processing history and you do not want pay the expensive of incorporation in the bank's jurisdiction, you can always get a third party merchant account. A third party merchant account's underwriting is less stringent and is set up much faster than a direct account.