

# How to Choose the Right Merchant Account Provider

Contributed by Marco Tomlinson  
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There are many ways of accepting debit and credit card transactions from your customers; however obtaining a merchant account from a UK based bank is by far the least expensive method. These banks, such as Streamline, HBOS etc., issue merchant accounts which allow you to process credit cards and debit cards through a variety of methods. Traditionally debit and credit card processing would have been organised via a credit card machine, sometimes referred to as a PDQ machine. However in recent years the Internet has opened other sales channels requiring secure payment facilities.

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The humble credit card machine has been joined by virtual terminals and full Ecommerce with shopping carts as more and more people are buying online and banks have to introduce stringent measures to prevent rogue traders from obtaining credit and debit card accepting payment facilities. Due to these efforts the problem from UK based rogue merchants has been all but eradicated but the problem continues to exist with non-UK based traders.

{bot\_wrgoogle}Verified by Visa (VbV) and MasterCard SecurCode are becoming more common in Ecommerce (Internet credit card processing and have been introduced to negate the fear factor amongst consumers when purchasing via the Internet. It is a simple password-protected identity-checking service which takes a good proportion of risk out of buying on-line and gives the same level of fraud protection as chip and pin. Cardholders can register a password with their card issuer, which they will be prompted to enter every time they use the card online (rather like entering a PIN number into a credit card machine) and they are then protected from fraudulent transactions using their payment card and thus gain the reassurance needed to spend with confidence.

Companies such as Protx provide secure online credit card processing payment facilities for thousands of bona-fide online and mail-order business across the UK. However, a merchant account is still necessary in order to keep credit card processing cost to a minimum.

Applying for a merchant account can be something of a minefield and it is worthwhile doing some research before making any application particularly with regard to the rates offered as these can vary considerably and you may find too late that there are some expensive hidden or unexpected costs. The most time-efficient means of looking into the market is through use of a third party organization such as Seymour Direct who specialize in obtaining the best rates for their customers depending on the type of business, area of trade and current or forecasted turnover on cards. They have access to rates offered by a number of banks and can advise the best available in a given situation. For further information on low charges telephone 0800 980 4007 or visit Semour Direct website.

Once you've decided or been advised which bank or financial organization best suits your business's requirements there is a certain amount of preparatory work to do in collating the paperwork that will be required to obtain your card processing facility. These may include financial information regarding your business (if your business is less than 12 months old this would take the form of a business plan or forecast), any printed literature regarding your products or services, written details of any guarantees or warranties you offer your customers, proof of identity and if you already hold a merchant account with another bank or financial organization it can help to have available 3 months current processing statements.

If all this information is at hand you will find that the application process will be much smoother and simpler. It takes on average about three weeks to set up a merchant account from the date you return the Merchant Agreement to your chosen financial institution but could take longer if your business is deemed as high risk by the bank.

Marco Tomlinson is an expert in merchant account services at Seymour Direct. For further information and assistance with Merchant Account Services providers at Seymour Direct.