



Detailed Explanation of Credit Card Processing Fees



Interchange Fees

Put simply, interchange fees are costs that are paid by the merchant to the Issuing Bank of the card used during the transaction. These fees are set by Visa, MasterCard, Discover, and American Express to reimburse the Issuing Bank for costs associated with authorizing the transaction and electronically funding the Acquiring Bank. Interchange Fees also help the Issuing Bank offer rewards to their customers such as Airline Miles, Rewards Points, or Cashback. These fees change based on the merchant's industry, the manner in which the transaction was completed (in person, over the phone, internet, etc.), the card type that was used and the amount of transactional data passed on to the Card Networks.



Card Network Dues and Assessments

The major card networks are Visa, MasterCard, American Express, and Discover. There are several PIN Debit Card Networks as well including STAR, PULSE, NYCE, and many others... The Card Networks transfer information to help facilitate the transactions between the issuing bank and the merchant. The Card Networks authorize or decline a transaction based on the customer's available balance or credit line, and they charge small percentages and monthly fees for utilizing their service.



Merchant Processor Fees

The last fee portion is composed of Discount Fees, Authorization Charges, Monthly services fees, and various other fees charged by the Acquiring Bank which is processing the transaction. Typically these are the only fees that can be lowered, and a free Swype Fast Analysis of your statement can break down each of the fees and show the amount of savings offered.