

# The Austin Business Owner's Guide to Avoiding Hidden Merchant Fees

The fees that are not really hidden, just never explained. Which ones nobody can change, which ones you can, and the contract terms that do the most damage.



By Luis Castillo • Updated September 14, 2026

Most merchant fees are not really hidden. They are printed on the statement every month. They are just never explained, and the statement is laid out so that nobody reads far enough to ask. This guide goes through every kind of charge you are likely to see, sorts each one into one of three groups, and ends with what to do about them this week.

**FIXED** Set by the card brands. The same everywhere. Nobody can discount it.

**NEGOTIABLE** Set by your provider. Legitimate, but the amount is a business decision and can be challenged.

**JUNK** Avoidable, duplicated, or dressed up to look like something it is not. Should not be there.

## 1. The costs nobody can change

Start here, because it tells you where not to waste your energy.

- **FIXED Interchange.** The largest single part of every transaction, paid to the bank that issued your customer's card. It varies by card type: basic debit is cheaper, premium rewards and commercial cards cost more, and cards keyed in cost more than cards tapped. It is the same no matter who processes for you.
- **FIXED Card brand assessments and network fees.** Charged by the card networks themselves. Genuine network fees are passed through at the same cost by every provider.

Anyone who promises to lower your interchange is either talking about fixing something that pushes transactions into a more expensive category, which is real and worth doing, or is not being straight with you.

## 2. The fees that are negotiable

These are your provider's charges. They are not wrong in themselves, but the amount of each one was chosen, and choices can be revisited.

- **NEGOTIABLE** **The markup.** Whatever your provider adds on top of interchange, as a percentage, a per-transaction amount, or both. This is the heart of what you pay them.
- **NEGOTIABLE** **Monthly account or statement fee.** A flat charge for keeping the account open.
- **NEGOTIABLE** **Gateway fee.** For online payments or a virtual terminal. Legitimate if you use one. Worth questioning if you do not.
- **NEGOTIABLE** **PCI compliance fee.** For the security program attached to the account.
- **NEGOTIABLE** **Batch fee.** Charged each time the day's transactions settle.
- **NEGOTIABLE** **Chargeback fee.** Per dispute, usually whether you win or lose.
- **NEGOTIABLE** **Monthly minimum.** A floor on your fees. Process less than it assumes and you are billed the difference.

## 3. The fees that should not be there

- **JUNK** **PCI non-compliance fee.** A monthly penalty for not completing your annual security questionnaire. The questionnaire is free. Completing it usually removes the fee. It is the easiest money most businesses are losing.
- **JUNK** **"Non-qualified" and "mid-qualified" surcharges.** On tiered pricing, your provider decides which transactions fall into the expensive buckets. You cannot see how that decision is made, which is exactly the problem.
- **JUNK** **Fees named to look official.** Some real card network fees have names like "network access" or "brand usage". Some providers add their own charges with similar-sounding names, or mark up the real ones. Ask which card network charges it and whether it is passed through at cost. If they cannot tell you, that is your answer.
- **JUNK** **An annual fee nobody mentioned.** Usually appears once a year, often in a month when nobody is looking.
- **JUNK** **Duplicate fees.** A gateway fee on an account that never uses a gateway. Two statement fees. A fee for a service you cancelled.
- **JUNK** **A lease payment on equipment you no longer use.** Still billing, often through a separate leasing company, long after the terminal went in a drawer.

## 4. The contract terms that cost more than any fee

The most expensive part of a merchant account is often not a line on the statement. It is a clause in the agreement.

- **Early termination fee.** A charge for leaving before the term ends. Know the amount before you sign.
- **Liquidated damages.** A version of the termination fee calculated on what the provider expected to earn from you over the rest of the contract. It can be far larger than a flat termination fee.
- **Automatic renewal.** A term that quietly rolls over for another year or more unless you cancel inside a narrow window.
- **Equipment leases.** Typically non-cancelable, typically with a separate leasing company, typically costing several times what the hardware is worth. Switching processors does not end one. If you already have one, read how to get out of a merchant equipment lease ([luisyourmoneyman.com/blog/how-to-get-out-of-a-merchant-equipment-lease/](https://luisyourmoneyman.com/blog/how-to-get-out-of-a-merchant-equipment-lease/)).
- **Change of terms.** Most agreements let the provider change fees with notice. That notice usually arrives as a message printed on the statement.

## 5. How rate increases actually arrive

Almost never as a phone call. Look for a message box, often on the last page of the statement, saying that a fee is being introduced or adjusted from a certain date. Then look at your effective rate over the next few months. If it climbs while your card mix and sales stay about the same, something changed that was not the card brands. If it already has, read what to do when your processor raises your rates ([luisyourmoneyman.com/blog/processor-raised-my-rates/](https://luisyourmoneyman.com/blog/processor-raised-my-rates/)).

## 6. A note for Austin owners

Two things push up Austin businesses' costs in ways that have nothing to do with any fee above. Event-driven volume makes monthly minimums and batch timing matter more than usual. And visitors bring cards issued outside the country and travel rewards cards, which carry higher fixed costs. Neither is a junk fee, and it is worth knowing the difference before you blame your provider for them. The Austin page ([luisyourmoneyman.com/austin/](https://luisyourmoneyman.com/austin/)) goes into this further.

## 7. What to do this week

1. Find last month's statement and write down total fees and total card sales. Divide the first by the second. That is your effective rate.
2. Read every monthly line item and tag it fixed, negotiable, or junk using the lists above.
3. Search the statement for the words "non-compliance". If it is there, complete your PCI questionnaire.

4. Read the message section on every page. Note any fee changes and their dates.
5. Find your agreement. Write down the term, the renewal date, and the termination fee.
6. If any equipment is leased, find the lease and its end date.

Then call your provider about every junk fee on the list. If you would rather someone did it with you, send Luis your two numbers ([luisyourmoneyman.com/fee-check/](https://luisyourmoneyman.com/fee-check/)).

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This guide is general information about how merchant accounts are usually priced and contracted. It is not legal or financial advice, and your own agreement is what governs your account. Written by Luis Castillo of Luis Your Money Man, an Independent Sales Organization. Last reviewed September 2026.

Questions about your own statement? Call or text Luis at 512-591-8039, or visit [luisyourmoneyman.com/fee-check/](https://luisyourmoneyman.com/fee-check/)



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U.S. Marine Corps veteran and owner of Luis Your Money Man, an Independent Sales Organization serving Austin and Central Texas. He explains merchant statements to business owners in English and Spanish, and tells them plainly when they should not switch.