

Before You Sign: 12 Questions to Ask Any Payment Processor

Print it, take it to the meeting, and make the salesperson answer every one in writing. Including Luis.



By Luis Castillo • Updated September 14, 2026

A merchant services agreement is easy to sign and expensive to leave. These twelve questions expose the terms that cause the most damage, and every one of them has a short, clear answer if the person across the table is being straight with you. Ask them all. Get the answers in writing. That goes for Luis too.

Pricing

1. **Is the pricing flat rate, tiered, or interchange plus?** Each works differently, and tiered pricing lets the provider decide which of your transactions are charged the most.
2. **What exactly is your markup, and where will I see it on the statement?** On interchange plus it should be a clearly stated line. If it cannot be pointed to, it is being hidden inside something else.
3. **What will my effective rate be, based on my actual card mix and volume?** A quote built on an average business will always look better than the bill you get. Ask for it to be calculated on your own numbers.
4. **List every monthly fee, annual fee, and minimum.** Account, statement, gateway, PCI, batch, chargeback, minimum, annual. Any fee left off this list should not appear later.

The contract

5. **How long is the term, and does it renew automatically?** If it renews, ask how and when you cancel before it does.
6. **What does it cost to leave early?** Ask whether that is a flat termination fee or liquidated damages calculated on the rest of the contract. The second can be far larger.
7. **Can you change my fees during the contract, and how will I be told?** Most agreements allow it with notice. Ask whether a change gives you the right to leave without a penalty.
8. **Which processor and which bank will my account be with?** The agreement names them. Those are the companies whose terms you are really accepting.

Equipment

9. **Am I buying this equipment, renting it, or leasing it?** A lease is typically non-cancelable, typically with a separate leasing company, and outlives the processing contract. Buy it or take free placement.
10. **If I leave, can this equipment be used with another provider?** Some hardware is locked to one processor. If it is, you are budgeting for new equipment the day you switch.

Support and the exit

11. **When something breaks, who do I call, and when do they answer?** A support queue and a person with a phone number are very different things on a Saturday.
12. **How do you get paid on my account?** It tells you what the person is motivated to sell you. Anyone unwilling to answer has told you something important. Luis gives his own answer in how Luis gets paid (luisyourmoneyman.com/how-luis-gets-paid/).

One rule to go with the list: if you would not be comfortable with the answer printed on the first page of the contract, do not sign until it is.

Already signed?

Most of these questions still have answers. Find your agreement and work through the list anyway. If the answers worry you, the statement audit guide (luisyourmoneyman.com/guides/audit-your-processing-statement/) shows you what the account is actually costing, and the fee check (luisyourmoneyman.com/fee-check/) gets you Luis's opinion on it.

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/



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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.