



Sit back, grab a tea and join Tawnya of

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To chat about ...

HOW to Get a Merchant Account in Canada

Scenario: You finally have gained traffic to your website:

- 1) You've captured your website visitors attention
- 2) You've generated an interest for your product and created desire
- 3) Now you want to close the sale -- **Immediately!!**

The Problem: Without credit card acceptance you can't close the sale immediately! The customer must:

- Record exactly what it is that they want to purchase
- Type this out in a detailed email, or
- Get offline to free their telephone line
- Call you to order the desired goods or services over the phone, or,
- Worst case scenario: Write a check, find an envelope & stamp, and walk to the mailbox.

Although it doesn't sound like much work on your customer's behalf, they are VERY unlikely to do that unless they are ready to bend over backwards to get your product. You are certainly losing all your potential impulse purchases, and even some otherwise dedicated customers who simply become too frustrated to complete the purchase process.

So today's the day! You have decided to phone your local bank in Canada to setup a merchant account to sell your \$5.00 homemade candles on the Internet. Hopefully you can be all setup by the end of the evening and candle orders will be filling your email box from around the world by morning.

Getting a Merchant Account at Your Local Bank:

Day 1 You phone the bank, setup an appointment to come in next Wednesday at 3pm to speak to a Bank Manager (hereinafter referred to as **BM** – acronym will be defined near end of article). The BM tells you to bring in all your business registration papers, identification and samples of your product you will be selling online. *Excitedly, you head home to gather all this information.*

Day 5 You patiently wait until Wednesday, walk into the bank with all your documentation intact and ready to roll. *Dreams of people clicking onto your site and ordering candles galore tonight by midnight.*

The BM first asks you if you will be selling to US based customers. You answer, *"Of course, I want to make use of the internet and sell globally"*. The BM then asks you if you have a US business account with their bank. You reply, *"Ummmm, no Sir I do not."* He then goes on to tell you that you

must then open up a Canadian/US banking account. To do this you must have an American based business address so you are told to get one and come back when you have that completed. *Gung ho as you are, you smile at the BM and head off to follow more orders from him.*

- Day 6** You think of all the ways you could get a US business from expensively incorporating your company or heck you could just move to your sister's house the US. After taking in pros/cons of both options, you finally decide on just grabbing a Post Office Box across the border so it looks like you have a business there. A two-hour drive to the US border and \$150 later you have a US business mailing address. *You evilly smile thinking how smart you were figuring out this problem.*
- Day 7** You set up another appointment with your BM who pens you in for next Tuesday. Monday comes along and because the BM is on holidays, his secretary pushes your appointment to Friday.
- Day 10** Still no merchant account.
- Day 14** Friday comes along and off you go to your appointment with the BM. You meet with him and he asks to see your business plan. You squirm and say innocently, "My business plan? I do not have one." The BM tells you that without a 10-15 page business plan, their bank will not even consider you for a merchant account.
- The BM sends you home with business plan forms and other standard bank credit forms which must be filled out to open up a merchant account giving you another appointment in five days to meet with him.
- Day 15** You start to prepare your business plan. *Paperwork starts to overwhelm you and you grab another coffee to wrangle through it all.*
- Day 18** It's midnight, 3 days later, and you are finally done the business plan plus all the bank forms the BM handed you last visit. *Satisfied nothing can stop you now, you peacefully fall asleep dreaming of candle orders spamming your email box.*
- Day 19** At your appointment, the BM looks over all your paperwork and notes how well you did on filling everything in correctly. He stands up and says, "We'll send this off to the credit bureau to make sure everything checks out and contact you for another appointment to sign your merchant account." You are thrilled and ask him how long the check takes. The BM replies, "It should be back in about 10 business days."
- Discouraged, yet unbeaten, you leave the bank and go home and wait for his call.*
- Day 30** Finally, after almost a month from initializing your first appointment with the Bank, the BM's secretary phones and sees if you can make it to the bank today by 2:00pm to find out if your merchant account was approved or not. *You stub out your freshly lit cigarette and jump into the shower to clean up, all the time hoping traffic will be minimal since you only have 35 minutes to reach the bank appointment time.*

At the bank, on time, you find yourself sitting in the BM's office with all your merchant account papers on the BM's desk patiently waiting for his approval.

He greets you with a handshake and congratulates you, telling you that your credit report went through and you may now have a VISA merchant account with their bank. *YES, you scream inside!*

After the initial thrill wears off, you feel confused since you wanted to accept Mastercard as well as a few other credit cards, not just VISA. You ask the BM about this concern. The BM explains *"that each bank in Canada deals with only one major credit card and if you want Mastercard, you will have to go through this same process at the bank up the street that offers Mastercard."* Again, frustrated yet not beaten, you say "ok."

The BM sits back down and begins to explain the contract and the conditions therein. The conditions all seem in order for signature until we get to the security clause which states I must put up \$42,000 as security for this account since internet merchant accounts are high risk for the bank. *"What????? I don't have that kind of security deposit!"*

You storm out of the bank, wondering why you wasted your time and energy this last month with some BM who turns out to be more of a irritating bowel movement (BM acronym finally defined from above) than anything else.

Curiously however, you still wonder how that girl up the street selling Tupperware online got her merchant account?

Does this scene sound too familiar when trying to get a Canadian Merchant account?

Getting a Canadian merchant account is harder than one anticipates. Not to mention ...expensive!

There are alternatives to the Bank:

[PayPal](http://www.paypal.com) www.paypal.com

This is the easiest way to get a merchant account online and most likely the cheapest if you just have a small product line. They will even let you sell in Canadian funds and deposit right into your Canadian bank account. They've been around for years and you know if E-bay uses them, they must be trustworthy and reliable.

Other Reputable Canadian Merchant Account Companies:

[InternetSecure](http://www.internetsecure.com) www.internetsecure.com

[PSiGate](http://www.psigate.com) www.psigate.com

Both of these companies above don't require you to make a substantial security deposit when you open your Internet merchant account (unlike many banks), and they don't require you to set up an American bank account (unlike American merchant account providers).

Once you set up a merchant account through either of these companies, you'll be able to accept payment by MasterCard, Visa, and American Express credit cards on your e-commerce site. With Internet Secure, you'll also be able to accept Discover, while with PSiGate, you'll also be able to accept Diner's Club/Enroute.

[Global Payments](http://www.globalpaymentsinc.com) www.globalpaymentsinc.com

I can personally recommend this company since I've used them before and never had any problems with them. They accept a wide variety of credit cards and they also have Point of Sale products. There are monthly fees so you have to weigh out the return on your sales.

Last but not least (although sometimes slow via snail mail) is Canada Post to the Rescue!

[eParcel© Store](http://www.canada-shops.com) www.canada-shops.com

Canada Post now offers an online application that lets you quickly create a virtual store, in English, French, or both. The store includes SSL (Secure Socket Layering) to provide a secure online purchasing environment, credit card, COD, and billing payment options, and even multi-currency pricing.

Search Engines – Use your favourite search engine and type “Canadian merchant accounts” in it, you will find tons of links to research.

Whoever you decide to open a Merchant Account with:

Make Sure There Are No Hidden Charges!

It is unfortunate, but some merchant account providers try to sneak hidden charges into their contracts. If you see a deal that looks too good to be true, then it probably is.

The "typical" charges you may see can include:

- application fee
- setup fee
- monthly fee
- discount rate
- per-transaction fee
- statement fee
- monthly minimums
- gateway fee
- minimum term contracts that you cannot cancel without penalties
- chargebacks
- rolling reserves.

As you can tell, with all those different fees it can be very confusing, and expensive to get a merchant account and process credit cards on your website.

The best way to avoid any hidden or unexpected fees is to do your research...

Pre-Application Checklist

When searching to find the company that is best suited to provide a merchant account for your business, you MUST be sure to ask the right questions.

Below you will find a list of the critical questions that you must ask when researching to find your merchant account provider, along with a listing of answers I would look for when considering a merchant account provider.

Q) Are there any hidden charges or fees?

A) There are no hidden charges or fees.

Q) Is the payment gateway included?

A) Yes the real time payment gateway is included.

Q) Are transactions approved in real time?

A) Yes transactions are processed and approved in real time.

Q) Is U.S. or Canadian incorporation required?

A) Canadian or U.S incorporation is not required. Any legal business entity will qualify - This includes corporations, proprietorships, partnerships, and non-profit organizations. All that you need is a business bank account in the country in which your business is located.

Q) What currencies can I accept payment in?

A) Payment can be accepted in almost any currency from around the world.

Q) How long does it take to be approved?

A) 3 business days.

Q) What is involved in the application process?

A) We have an online pre-application form. It is short and simple or else we can talk you through it over the phone.

Q) Is there anything else needed?

A) No, there is nothing else required. We do NOT require business plans or any complicated paperwork.

Q) How long is money from transactions held back?

A) Remittance is made on a weekly basis directly into the bank account of your choice, with a one week delay from the date the transaction is processed.

Q) Where can I find a detailed listing of your rates? (Pricing information)

A) On our website and here is the URL.

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