

# Protecting Your Account

## For A Smooth Account Approval



### What is the account approval process?

CHIPD makes it as easy as possible to get your new account up and running quickly. Credit card processing is a banking product, therefore sponsoring banks and processors are required to meet certain federal mandates.

As part of the USA Patriot Act, passed in 2001, banks are **REQUIRED** to get certain information, like social security numbers.

#### 1. Why do you need my social security number?

Not only is it a federal mandate to help prevent illicit activities, but banks/processors that do not confirm your identity using a social security number, home address, and driver's license, are making it easier for crooks to open a merchant account in your name.

We understand the reluctance of providing this personal information. We don't request this information just to "have it on file". It's a critical component in safeguarding your identity. We take this seriously and protect your information securely.

#### 2. I've never had to provide my personal information to get a merchant account before?

We've had some merchants tell us this before. If your current or previous processor has not requested this information, they either already have your information (maybe through your bank), or are not taking proper steps to protect your identity. We get several calls per month from crooks attempting to open merchant accounts in business owners' names. Confirming personal information, like social security numbers, is part of our strategy to protect your identity. Also, it's the law.

#### 3. Why do you need financial information?

If your business has accepted credit card payments, it's routine for banks and processors to request 3 months of processing and bank statements to confirm card volumes and chargeback frequency to get your account approved. By getting this information up front, it will prevent funding delays

in the future, and ensure that your account is underwritten for the correct volumes, particularly for high-volume merchants.

#### 4. After my account is approved, can I expect any funding delays?

You should not expect any credit card deposits to be delayed. However, if you have an extremely large transaction, that is out of the ordinary, and does not meet the criteria you completed on the application, we may want to confirm the large transaction, to protect and safeguard your account from fraud. In that case, we may hold the funds until you can help us confirm the transaction.

#### 5. What kind of risk is involved in credit card processing?

1. By accepting credit cards, merchants also have the ability to issue refunds and credits. If a credit is issued, and there are not sufficient funds in the merchant's bank account to cover the credit, the credit card provider will take the loss. The same is true when a cardholder issues a chargeback.

To understand more of the procedures and risks for both merchants and processors, please speak with your sales representative.

Also, please feel free to contact our sales office.

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PAYMENT PROCESSING