MERCHANT COST ANALYSIS

AltirasPay

Riverbend Supply Co.
Statements: Three consecutive monthly statements
Merchant ID: SAMPLE-0000-0000

You are paying 3.72% to process $325,608 a month — and roughly $1 in every $6 of that is recoverable.

A line-by-line review of all three the current processor statements: 2,333 settled transactions and $976,823 of volume across three consecutive months. Your pricing structure is interchange-plus, which is the right structure — but three specific line items are quietly costing you $26,126 a year, and two of them have nothing to do with your rate.

THE PERIOD AT A GLANCE

VOLUME PROCESSED

$976,823

2,333 sales · avg ticket $418.70

TOTAL FEES PAID

$36,325

$12,108 per month

EFFECTIVE RATE

3.72%

$15.57 per transaction

IDENTIFIED SAVINGS

$26,126

per year · 18% of total cost

WHAT IS PASS-THROUGH AND WHAT IS MARGIN

COST COMPONENT	PERIOD	% OF VOLUME	WHO SETS IT
PASS-THROUGH — THE CARD NETWORKS SET THESE, NO PROCESSOR CAN DISCOUNT THEM			
Interchange (Visa / MC / Discover / Amex OptBlue)	$18,644.90	1.909%	Card issuers
Card brand fees & assessments	$6,360.11	0.651%	Visa / MC / Amex / Discover
PROCESSOR MARGIN — THIS IS THE PART THAT IS NEGOTIABLE			
Discount markup (0.85% on all volume)	$8,302.99	0.850%	the current processor
AVS fee (4,165 lookups @ $0.50)	$2,082.50	0.213%	the current processor
Authorization fee (4,218 @ $0.15)	$632.70	0.065%	the current processor
Monthly account fees (statement, PCI, wireless, CLYM, 1099-K)	$233.82	0.024%	the current processor
Chargeback fees (2 @ $30) and batch fees	$68.40	0.007%	the current processor

Chargeback fees (2 @ $30) and batch fees	[illegible]	[illegible]	the current processor
Total cost of accepting cards	**$36,325.42**	**3.720%**	

The processor's own margin is **$11,320** over the period — 1.159% of volume. Everything else is money passed straight to the networks. That is the honest number any competing processor should be judged against.

FINDING 1

Your AVS fee is 10 to 50 times market

"the acquirer – AVS" at $0.50 per lookup cost you $2,082 in three months — $8,330 a year.

Address verification is a network lookup that costs the acquirer a fraction of a cent. Market pricing runs $0.01 to $0.05. You are being billed $0.50, on 4,165 lookups over three months — one on essentially every authorization attempt, approved or not. This single line is 18% of everything the current processor earns on your account and it is larger than your entire Discover and MasterCard interchange combined.

$7,830 a year

READ FROM THE STATEMENT

FINDING 2

Every commercial card is settling at Level 1 data

$223,722 of B2B card volume is paying consumer-grade interchange because no Level 2 or Level 3 data is being passed — 645 transactions, $6,413 of interchange, a 2.866% blended rate.

"Product 1" and "Data Rate I" both mean the same thing: the transaction carried only a card number and an amount. Passing tax amount and customer code (Level 2), or line-item detail (Level 3), moves those transactions into rate tiers that typically run 0.50% to 0.95% lower. This is a gateway and integration change, not a rate negotiation — and no processor has raised it with you in at least three statements.

Estimated recovery $5,700 to $8,400 a year

Depends on how much of the data your order system can supply.

MODELLED — NOT A COMMITTED NUMBER

FINDING 3

You are being declined on 45% of authorization attempts

4,218 authorizations produced 2,333 sales. That is a 55.3% approval rate, and Visa is already charging you penalties for the retries.

356 of those attempts hit Visa's "RAF Never Approve" fee, which Visa levies specifically when a merchant re-attempts a card that returned a hard, do-not-retry decline. The fee dollars are small. The lost revenue is not. At your $418.70 average ticket, a five-point improvement in approval rate would be roughly $88,000 of additional volume per quarter.

Depends on how many of the declines are genuine rather than retryable.

COMPUTED FROM STATEMENT FIGURES

FINDING 4

Small fees that should not be on this statement at all

$77.94 a month in fixed overhead — $935 a year, of which about $539 is avoidable today.

PCI Non-Compliance at $29.95 disappears when the SAQ is completed. A $15 Wireless Access Fee on a card-not-present, keyed account is worth asking about. You are also paying both the PCI monthly fee and the non-compliance penalty.

$539 a year

READ FROM THE STATEMENT

WHAT THIS LOOKS LIKE REPRICED THROUGH ALTIRASPAY

TODAY

3.72%

$12,108 per month
$145,302 per year

WITH ALTIRASPAY

3.05%

$9,931 per month
$119,176 per year

YOU KEEP

$26,126

$2,177 back every month
18% lower total cost

WHERE THAT COMES FROM, ANNUALISED

LINE	TODAY	WITH ALTIRASPAY	YOU KEEP
Discount markup — 0.85% → 0.60%	$33,212	$23,444	**$9,768**
AVS — $0.50 → $0.03 per lookup	$8,330	$500	**$7,830**
Interchange — Level 2 / Level 3 enablement	$74,580	$67,531	**$7,048**
Authorization — $0.15 → $0.10	$2,531	$1,687	**$844**
Monthly account fees — bundled at $25	$935	$300	**$635**
Card brand fees, batch, chargebacks (pass-through)	$25,714	$25,714	—
Annual cost of accepting cards	**$145,302**	**$119,176**	**$26,126**

WHAT WE ARE PROPOSING

Interchange-plus at 0.60% + $0.10 per transaction, with a written fee schedule — no AVS surcharge above $0.03, no PCI non-compliance penalty, no wireless fee on a card-not-present account, and a single bundled $25 monthly.

Level 2 / Level 3 data enablement on your gateway, because 23% of your volume is B2B commercial cards currently settling at the most expensive tier available. We will scope this against your order system before quoting the saving as firm.

An authorization review. A 55% approval rate on a clean file is not normal, and the Visa "never approve" retry fees on every statement are an early warning, not a rounding error.

Underwriting that reflects the file. Two chargebacks on 2,333 transactions — 0.09% by count, zero in June and July. This account is not being priced like the low-risk B2B file it is.
