

QuickBooks merchant services, masters of the hidden fees



O QuickBooks Payments, how thou slay me (and my wallet)

The inspiration just keeps coming! I decided to write this partially because of the laundry list of blog posts that pops up if you run a search for “QuickBooks merchant services.” The consensus from the blog writers is plain to see: QuickBooks merchant services cost *way* too much. The bulk of the cost is simply a product of their popular three-tiered pricing structure, which funnels the 350 some-odd possible card types into just three categories, the prices for which are jacked up pretty significantly. That sort of pricing plan is great for Intuit and other companies that use it because it completely disguises the true costs of the credit cards customers use--and, I'm sure *some* people aren't even aware that credit cards are cheaper to take than Intuit's pricing plan dictates.

[I already did a post on three-tiered pricing](#), so I would suggest reading that if you need a refresher or just an introduction to that concept and why it's so convenient for processors to pull it out of their hat.

The three-tiered pricing plan used in most QuickBooks merchant services pricing plans deserves a post of its own, though, because it's so pervasive and comes marketed under a few different brands ([QuickBooks Payments](#)--formerly Intuit Payment Solutions, [Innovative Merchant Solutions](#), and [Intuit GoPayment](#)). QuickBooks dominates the small business market share, and QuickBooks merchant services equally dominate for that reason. Hell, I think you're automatically enrolled in a merchant account when you buy QuickBooks. It's *easy*. But, as we've explored before, that doesn't mean it's the most cost-effective, especially once you start accepting a *lot* of credit card payments...

Anyway, a QuickBooks merchant services statement looks similar to other statements using three-tiered pricing. Check this out:

SUMMARY OF CARD FEES			
MASTERCARD			
DISC 6			
QUAL DISC	2,364.81	.02480	58.65
NQUAL DISC	11,225.00	.03620	406.35
NQUAL	33	.10000	3.30

Via <http://www.cardfellow.com/blog/intuit-merchant-services-hidden-fees-fine-print/>, captured October 9th, 2014. By the way, if you want to read a great write-up on Intuit's merchant services, I suggest you pore over that page.)

Generally speaking, debit cards are “qualified” or QUAL, consumer rewards cards end up “mid-qualified” or MQUAL, and business-type credit cards or purchasing cards all come up “non-qualified” or NQUAL—and, each of those categories carries a different price with it. In the case of the snippet above, that poor merchant had exactly two different qualifications, but over 80% of his revenue fell into the more expensive NQUAL bracket. Yikes.

So, what do you do?

You can do a few things, actually. There are quite a few different companies that provide integrations to QuickBooks besides Intuit itself, though you might be led to believe otherwise. [Century Business Solutions' module, for example, uses interchange plus pricing, not a three-tiered pricing plan](#), so you won't be in the dark about how you're being charged. (It's also designed to *lower* the base price of business-type credit cards and government purchasing cards, so if you happen to work with other businesses or government entities, this might be right up your alley.)

Hope that helped, and happy hunting,