

## PAYMENTS SHOULD BE CONVENIENT, NOT COSTLY

*Agency Realizes Significant Growth with a  
Successful Convenience Fee Program*

Businesses are created for a variety of reasons. Some are the result of a childhood dream; some are the result of a desire to perform a civic duty; some are the result of a chance encounter; some are extensions of existing businesses or endeavors. Regardless of origin, every business wants to grow and succeed. But let's be frank – the ability of any business to grow and succeed is based on their ability to “make money!”

No business can survive, much less grow and succeed, if they are not operating at an optimal level in every facet of their operation. And the most important facet of any operation is the ability to consistently, and efficiently, collect payments from their customers.

Yet, even the most efficient collection department could be doing more to increase revenue. Every executive or manager in the collection space will tell you that the “cost” of collecting is a direct impediment to revenue growth. The vast majority of that “cost” lies in payment processing fees. How many times have you said, “If I could just reduce my processing costs, my business would make more money?”

With **Convenience Fees**, you can do exactly that - reduce your costs and make more money!

Convenience Fee payment models have become popular for many businesses seeking to increase revenue. These payment models reduce a merchant's payment processing costs by charging the consumer a flat fee for the convenience of accepting card-not-present (CNP) payments online or over the phone. By passing the processing fee (or part of the fee) along to the customer, the business keeps a bigger portion of the payment collected, which directly improves revenue.

Despite the obvious benefits of a Convenience Fee payments model, there are serious risks if not implemented correctly. To avoid potential problems such as financial penalties, bank termination, or loss of a merchant account, businesses must ensure that any Convenience Fee model they implement is fully compliant with the Fair Debt Collections Practices Act (FDCPA), the various requirements of individual states, **and** specific Card-Brand Rules.

Many businesses like the “idea” of Convenience Fees but have been hesitant to implement these programs for a variety of reasons. Some are concerned about compliance issues, others may perform most of their business operations in states where Convenience Fee models are prohibited, and still others have simply rejected the idea because “we are going to keep doing things the way we always have.”

Thankfully, there is a Convenience Fee solution that will keep you in full compliance **and** lead to increased revenue – **360° Fee-Free Payments** from PayScout.



## THE ISSUE:

Our client is a large, respected collection agency with operations throughout the United States. Given their high collection volume, the agency was searching for a way to reduce payment processing costs, which would in turn lead to a significant increase in revenue. Implementing a Convenience Fee model seemed like the perfect solution, but unsure about compliance issues (especially since they operate in multiple states), the agency reached out to [Payscout](#) for guidance.

## THE SOLUTION:

After a thorough joint review of the agency's business model, needs, and expectations, and the solutions available from [Payscout](#), the agency chose to implement the [360° Fee-Free Payments](#) program. The agency based their decision on two important factors: (1) the [360° Fee-Free Payments](#) program offered an efficient way to reduce processing costs, without negatively impacting collection rate, and (2) the [360° Fee-Free Payments](#) program eliminated any worry about maintaining compliance with state and federal regulations.

## THE RESULT:

Businesses are often hesitant to ask customers to "pay more" for any product or service, fearful of the pushback, or even worse, losing customers. Yet, customers are often willing to pay a bit more, especially in the collection industry, when they are paying for the "convenience" of making payments on their terms, and on their schedule.

Before partnering with [Payscout](#), our client saw their monthly payment processing costs average around **2.5%** of processing volume. Following the successful implementation of the [360° Fee-Free Payments](#) program, their monthly processing costs **dropped nearly 75%**, when applied to all eligible payments. The savings were immediate, and significant.

For this agency, implementing a successful [360° Fee-Free Payments](#) program, and providing their customers with a variety of convenient payment options such as online, IVR, text, etc., both during normal business hours and after hours, led to an increase in collection rate — and as their collection rate increased, so did their savings.

The [360° Fee-Free Payments](#) program from [Payscout](#) was not only instrumental in providing cost savings, and increased revenue, for our client, but it led to an increase in agent productivity, allowing agents time to focus on other pressing needs within the agency. In addition, our client has peace of mind knowing they are utilizing **the only fully compliant Convenience Fee solution available in the collections industry.**

**What Would Your Business Look Like If You Could Save 75% On Payment Processing Costs?**

Contact us today at  
888.689.6088 or [sales@payscout.com](mailto:sales@payscout.com)

### HOW MUCH CAN YOU SAVE WITH 360° FEE-FREE PAYMENTS?

Processing Volume (Monthly)	\$500K	\$1M	\$3M	\$5M
Average Expense w/o Convenience Fee (Monthly)	\$11,250.00	\$22,000.00	\$64,500.00	\$105,000.00
Average Expense w/ Convenience Fee (Monthly)	\$2,812.50	\$5,500.00	\$16,125.00	\$26,250.00
Savings w/ Convenience Fee (Monthly)	\$8,437.50	\$16,500.00	\$48,375.00	\$78,750.00
Savings w/ Convenience Fee (Annually)	\$101,250.00	\$198,000.00	\$580,500.00	\$945,000.00

\* Merchant Expenses and Actual Savings With the Convenience Fee Solution May Vary by Merchant.

