OPERATOR TOOLKIT / LEAD MAGNET

The PSP Selection RFP Kit

60+ vendor questions, a weighted scorecard, and a negotiation checklist for choosing a payment service provider.

For merchants processing $1M+ annually

Pricing, acquiring, reporting, settlement, token portability

Version 1.0 / May 2026

01

Scope

Quantify volume, geography, channels, risk, and integration constraints before vendors enter the conversation.

02

RFP

Send specific written questions so vague sales answers become visible and comparable.

03

Score

Weight responses against your operating priorities instead of letting one impressive metric dominate.

04

Negotiate

Push on pricing, reserves, settlement, exit rights, and fee-change mechanics before signing.

EXECUTIVE INTRODUCTION

Use this before PSP sales calls shape the conversation.

Most PSP evaluations fail because merchants ask broad questions and receive broad answers. This workbook forces the process into a structured operating review: define your profile, ask comparable questions, score the responses, then negotiate the terms that actually move margin, risk, and flexibility.

Who this is for

Payment, finance, product, operations, or founder teams evaluating a new PSP, replacing an existing provider, or pressure-testing a relationship that has not been formally reviewed in over a year.

When to use it

Use it when annual processing volume is already above $1M, or when your business is likely to cross that level in the next 12 months and you want to avoid renegotiating from a weak position later.

What you bring

Your actual volume, card mix, geography, chargeback data, settlement needs, technical constraints, and current PSP economics.

What this provides

The question structure, evaluation model, comparison matrix, and negotiation angles to turn PSP selection into a comparable decision process.

OPERATOR NOTE

There is no universally best PSP.

Stripe at $2M annual volume with a US-only customer base is a different decision from Adyen at $20M with EU and APAC exposure. The goal is to identify the best PSP for your exact profile, scale, and risk characteristics.

FOUR-PHASE FRAMEWORK

A cleaner way to run PSP procurement.

The process is designed to create written evidence, not just vendor impressions. Follow the phases in order: do the internal scoping first, then send the RFP, score only written responses, and negotiate from specific gaps.

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SUGGESTED TIMELINE

2-4 weeks from scoping to signed contract

PSP procurement drags when operators send vague briefs and accept vague answers. Specific written questions produce specific responses that can be compared and negotiated.

PHASE 01

Internal Scoping Workbook

Complete this section before contacting vendors. These worksheets define your requirement profile and determine how to weight the scorecard later.

PHASE 01 / SCOPE

Define your PSP requirement profile.

The stronger your internal brief, the harder it is for PSPs to hide behind generic positioning. Use these worksheets to quantify the inputs that drive pricing, underwriting, routing, settlement, reporting, and support.

OPERATOR NOTE

Do not skip the scoping work.

If you cannot describe your own volume, geography, channel mix, risk profile, and integration constraints, every vendor conversation becomes a sales-led discovery call instead of a buyer-led evaluation.

1.1 Volume Profile

Your volume determines your negotiating position and which PSPs will engage at competitive pricing. Most PSPs have meaningful pricing tiers at $1M, $5M, $10M, $25M, and $50M+ annual volume.

Field	Your Data
Monthly transaction volume (current)	
Monthly transaction volume ($, GMV)	
Average transaction value (ATV)	
Peak month transaction volume ($ and month)	
Trough month transaction volume ($ and month)	
Peak-to-trough ratio	
Expected 12-month GMV growth rate (%)	
Projected annual volume 12 months out	
Current PSP (if switching)	
Time with current PSP	

1.2 Geographic Mix

Geographic exposure determines acquirer coverage requirements, FX handling needs, and regulatory complexity. A US-only operator has very different PSP requirements from one with 40% EU volume.

Field	Your Data
Top 5 customer countries (by transaction volume, %)	
Top 5 currencies required for settlement	
Cross-border transaction share (% of volume)	
Domestic transaction share (% of volume)	
Countries where local payment methods are required	
Whether you need local acquiring in any specific market	
Whether you need multi-currency settlement	

1.3 Channel Mix

Channel mix shapes integration architecture, fraud exposure, and fee structure. A subscription SaaS business has different PSP requirements from a marketplace or an omnichannel retailer.

Field	Your Data
Online / card-not-present share (%)	
In-person / card-present share (%)	
Recurring / subscription transactions (%)	
One-time / single-payment transactions (%)	
Marketplace or platform component (yes/no)	
If marketplace: sub-merchant count	
B2C share (%)	
B2B share (%)	
Mobile-initiated transactions (%)	

1.4 Risk Profile

Your risk profile determines reserve requirements, which PSPs will underwrite you, and what fraud tooling you need. Be accurate here — PSPs will discover your real metrics during underwriting.

Field	Your Data
Primary MCC code	
Secondary MCC codes (if any)	
Current chargeback ratio (% of transactions)	
Current refund rate (% of transactions)	
Fraud rate (% of GMV)	
Customer dispute count per month	
Chargeback dispute win rate (%)	
Product return rate (for physical goods)	
Average customer refund window (days)	
Whether you operate in a high-risk vertical	

1.5 Integration Constraints

Integration constraints determine which PSPs are feasible given your engineering capacity, existing stack, and timeline pressure. A no-code tool that takes a developer two hours to launch is not the same as a direct API integration that takes a team two months.

Field	Your Data
Existing ERP / billing system	
Existing subscription management platform (if any)	
Preferred integration model (hosted checkout / direct API / SDK / no-code)	
Mobile SDK requirement (iOS / Android / both / neither)	
Current developer capacity for integration work	
Target go-live date	
Preferred programming language(s)	
Existing fraud / risk platform (if any)	
PCI compliance level (SAQ A / SAQ D / Level 1)	

PHASE 02

PSP RFP Question Bank

Send written questions to every candidate PSP. Specificity matters: vague or non-committal answers should score lower.

PHASE 02 / RFP

Send questions that make weak answers obvious.

Verbal answers in sales calls are not commitments. Ask for written responses and use the same question bank across providers so pricing, acquiring capability, reporting quality, reserve terms, exit rights, and support can be compared side by side.

OPERATOR NOTE

Ask for a response deadline.

A 5-7 business day response window is usually enough. Tell vendors that responses will be evaluated on specificity, documentation, and benchmark quality.

Category 1: Pricing and Economics

12 questions

Pricing is the most complex and most negotiable dimension of any PSP relationship. The goal of this category is not just to get a number — it is to understand the full cost structure, including components that are not always surfaced in the headline rate. A PSP that refuses to break out component costs has something to protect.

1. What is your default pricing model — blended, interchange-plus (IC+), or other? If IC+, confirm that interchange is passed through at actual network cost with no markup.
2. Provide a full sample fee schedule for our transaction profile (volume and geography as specified in the brief). Include: acquirer margin or IC+ markup, per-transaction fee, monthly/gateway fees, and any minimum monthly fee.
3. Are scheme fees (Visa assessment, Mastercard assessment, cross-border surcharges, FANF, and any other Visa/ Mastercard network fees) passed through at cost or with a markup? If markup, provide the margin.
4. What is your FX conversion markup above mid-market for cross-currency settlement? Express as a fixed spread (e.g., mid-market + 0.50%), not as a discretionary rate.
5. Provide per-method pricing for all payment methods we require: Visa credit, Visa debit, Mastercard credit, Mastercard debit, Amex, local debit schemes (specify by market), and any buy now pay later methods in our primary markets.
6. What fees apply to chargebacks — per-incident fee, and any dispute management fees separate from that? Are these fees charged regardless of whether the dispute is won?
7. What fees apply to refunds — do you retain the interchange, retain the full original fee, or refund the full fee?
8. What 3DS2 / authentication fees apply per authentication attempt, including failed or abandoned authentications?
9. Do you charge for card account updater (CAU) runs? If so, what is the per-update cost, and is there a minimum?
10. Are there any fees not listed above — account maintenance, API calls, reporting access, network token provisioning, or annual fees — that would appear on a merchant's statement?
11. What is the minimum monthly processing fee, and at what transaction volume does it trigger? If our volume falls below the threshold in any month, how is it applied?
12. Do you offer pricing tiered by volume bands? If so, provide the volume thresholds and corresponding rate changes.

Category 2: Acquiring and Routing

10 questions

Acquiring capability determines where you can accept payments and how effectively your transactions are processed. Multi-acquirer routing and intelligent routing are the tools that move authorisation rates — which is where the economics either compound or erode.

1. In which countries do you hold direct acquiring licenses? For markets where you do not hold a direct license, how do you process transactions — correspondent acquiring, local partnerships, or other?
2. Do you support multi-acquirer routing from a single integration? If so, which acquiring banks or networks are available for dynamic routing in our primary markets?
3. Do you offer intelligent routing — routing individual transactions to different acquirers or rails based on expected authorisation probability? If so, describe the routing logic and whether merchants can configure routing rules.
4. What are your network token coverage rates by major scheme (Visa Token Service, Mastercard Digital Enablement Service) for US, EU, and UK cardholders?
5. What is your 3DS2 implementation — native or third-party? Which 3DS2 method selectors do you support (frictionless, challenge, decoupled)? Can merchants configure 3DS2 exemption logic (TRA, low-value, merchant-initiated)?
6. What authorisation rate can you commit to for our card mix and geography? Provide benchmarks for transactions in our primary markets, segmented by card-present and card-not-present. Express as a 12-month trailing average across comparable merchants.
7. How do you handle network retries on initial declines — do you support smart retry logic with configurable delay and retry count? Are retries charged separately?
8. Do you support local payment method acquiring directly (rather than via third-party redirect) in any of our target markets? Specify by method and market.
9. For cross-border transactions, do you offer local acquiring (processing the transaction in the cardholder's country) to reduce cross-border surcharges? In which markets?
10. What is your average authorisation rate improvement for merchants who enable network tokens versus standard PAN-based processing? Provide data.

Category 3: Tokenisation and Portability

6 questions

Tokenisation is where PSP lock-in begins. The token vault model determines your migration cost if you ever switch processors. This category should be read alongside Category 6 (exit terms) — they are connected.

1. What is your token vault model — do you issue proprietary PSP tokens, pass through network tokens from Visa Token Service and Mastercard Digital Enablement Service, or both?
2. If you issue proprietary tokens, are those tokens portable on merchant exit? Specifically: can we receive a full export of card data (PAN, expiry) in a PCI-compliant format to import to a new processor, or re-tokenise against a new vault?
3. If you issue network tokens on our behalf, do we retain the right to those network tokens and the underlying DPAN relationships when we exit? What is the migration process?
4. What PCI scope does your hosted checkout or tokenisation model eliminate for us? Provide a written statement of PCI scope reduction we can use with our QSA.
5. Do you support card account updater (CAU) for expiring or refreshed card credentials? Which networks do you connect to for CAU — Visa, Mastercard, Amex, other?
6. Can you provide a documented data portability procedure for merchant exit — format, timeline, who initiates, and what data is included?

Category 4: Fraud and Risk Tools

8 questions

Fraud tooling capabilities have a direct impact on your authorisation rate, chargeback ratio, and fraud losses. The questions here determine whether a PSP's native fraud product is sufficient for your risk profile or whether you need to retain a specialist third-party tool.

1. Describe your native fraud and risk product. What are its primary capabilities — rule engine, ML scoring, device fingerprinting, velocity checks, 3DS integration? Is it included in the base pricing or charged separately?
2. Do you support integration with third-party fraud platforms — specifically Sift, Kount, Riskified, Signifyd, or Sardine — at the same level of transaction data visibility as your native product? How is the data handoff structured (pre-auth, post-auth, or both)?
3. Can merchants configure custom fraud rules without involving your implementation team? If so, describe the rule configuration interface and what attributes are available for rule logic.
4. Is ML scoring available? If so, is it a shared model across all merchants or a dedicated model trained on our transaction history? How long does a new merchant take to have a usable model?
5. What are the false positive rates for your fraud product — specifically, what share of legitimate transactions are flagged for review or declined by your default rule set? Provide benchmarks across comparable merchants.
6. Do you offer a fraud guarantee or chargeback guarantee programme? If so, describe the scope (which transaction types, which dispute reason codes, what geographic markets), the fee, and the claim process.
7. What fraud and risk reporting is available in real time — can we see a live view of declined transactions by decline reason, fraud signals by transaction, and flagged order queues?
8. How do you handle synthetic identity fraud and first-party fraud (friendly fraud)? What specific signals or heuristics does your product use for these categories?

Category 5: Reporting and Data Access

6 questions

Transaction-level data access is one of the most undervalued dimensions of PSP selection. Operators who cannot get clean, timely, machine-readable data out of their PSP spend disproportionate time on reconciliation and lack the visibility to manage their payments stack efficiently.

1. Is transaction-level reporting available in real time or batch? Specify the latency — how quickly after a transaction do you see it reflected in the dashboard and data export?

2. Can we access raw transaction-level data via API — not just dashboard views, but a structured API endpoint returning transaction records with full metadata (card type, issuer country, authorisation code, decline reason, fees, settlement date)?

3. What reporting file formats do you support for reconciliation — CSV, JSON, MT940, BAI2, or others? Can these be automatically delivered to an SFTP or cloud storage destination on a configurable schedule?

4. Do you provide interchange detail at the transaction level — meaning, the specific interchange category applied to each transaction? This is required for accurate IC+ verification.

5. Are custom dashboards or custom report configuration available? If so, is this self-serve or requires your team to build?

6. How long is transaction history retained in the reporting system, and is historical data accessible via API for the full retention period?

Category 6: Reserves, Settlement, and Contract Terms

10 questions

This category determines the operational and legal structure of the relationship. Reserve and settlement terms are working capital decisions. Contract terms determine your flexibility. These are the clauses that cost operators the most money over a multi-year contract — see the Red Flags Checklist in Section 8 for the specific language to watch for.

1. What is your standard rolling reserve percentage for a merchant of our risk profile (using our MCC and chargeback rate)? What are the triggers that would cause you to increase the reserve after contract signing, and what notice period applies?

2. What is the rolling reserve hold duration — how many days from each transaction before reserve funds are released? Is this a fixed duration or can it vary at your discretion?

3. What is the reserve release process — is it automatic at the end of the stated period, or does the merchant need to initiate release?

4. What is your standard settlement timing (T+X from transaction date)? Is this a contractual commitment or a target? Under what conditions can you extend settlement beyond the standard timeline?

5. What are the early termination fee terms? Specify: fee amount or calculation method, whether fees apply if we terminate for cause (PSP breach), and whether the fee is waivable for large merchants.

6. What is the contract term — month-to-month, annual, or multi-year? For multi-year contracts, what are the exit provisions at each annual anniversary?

7. What is the notice period required for fee changes? Are fee increases capped in any way (CPI, fixed %, or other)?

8. What data export rights apply on contract termination — transaction history, customer vault data, dispute records, reconciliation files? In what format, and for how long after termination?

9. Who owns the dispute liability for chargeback losses — do you accept liability for any category of chargebacks, or does the full loss fall to the merchant in all cases?

10. Do your terms include an exclusivity clause requiring us to route all payment volume through you? If not, confirm in writing that operating a secondary PSP relationship does not constitute a breach of contract.

Category 7: Integration and Developer Experience

6 questions

Integration quality determines time-to-go-live, ongoing maintenance burden, and what your team can build. These questions are most relevant for operators integrating via direct API or SDK. For hosted checkout, focus on questions 1, 3, and 4.

1. What programming languages do you provide official SDKs for? Which SDK versions are currently maintained, and what is your SDK deprecation policy?
2. Describe your sandbox environment — does it support test cards that simulate specific decline reasons, 3DS challenges, chargeback flows, and refund scenarios? Is sandbox feature parity maintained with production?
3. What is your webhook reliability — do you guarantee at-least-once delivery? What retry logic applies to failed webhook deliveries? Can merchants configure webhook endpoints by event type?
4. How comprehensive is your API documentation — are all endpoints, error codes, and field definitions documented? Is there a public API changelog? Do you offer a developer community forum or Slack channel?
5. What is your average time-to-first-transaction for a new merchant integration via direct API — median and 90th percentile, across comparable merchants?
6. Can we complete a working integration against your sandbox before signing a contract? Do you provide sandbox credentials without requiring commercial agreement?

Category 8: Support and Operations

5 questions

Support quality is not visible until something breaks. The questions here define the SLA and escalation structure before you need it. A PSP's support model is also a signal about their merchant segmentation — merchants below their support threshold often discover this during an incident.

1. What support tiers do you offer, and what are the qualifying volume thresholds for each tier? Describe the support channels and response time commitments for each tier (email, phone, dedicated Slack, on-call).

2. Do you provide named account management — a specific individual who is the merchant's primary contact for operational, technical, and commercial questions? At what volume does this become available?

3. What are your contractual uptime SLA commitments for the payment processing API and the merchant dashboard? What is the compensation structure for SLA breaches?

4. What is the escalation path for urgent disputes — for example, a settlement hold or a reserve increase we believe is incorrect? Who do we contact, at what tier, and what is the maximum response time commitment?

5. Do you offer a dedicated implementation engineer or onboarding support for complex integrations? Is this a one-time resource or ongoing? ---

PHASE 03

Weighted Evaluation Scorecard

Score the PSP against your priorities, not against a generic idea of what a good provider looks like.

PHASE 03 / SCORE

Weight the criteria before you score the responses.

A PSP with the lowest headline rate may still be the wrong choice if reporting is weak, settlement is slow, token portability is poor, or cross-border authorisation performance matters more than price.

Pricing-heavy merchant

Weight pricing and economics at 25-30% if transaction margin is thin and fees are the primary selection driver.

Cross-border merchant

Weight acquiring and routing at 20-25% if authorisation rates, local acquiring, and FX exposure are material.

Subscription business

Weight tokenisation and portability at 15-20% if you have an existing cardholder vault and future migration cost matters.

High-risk or fraud-sensitive merchant

Weight fraud and risk tooling at 20-25% if chargebacks, false positives, or manual review load are material.

OPERATOR NOTE

Scoring scale

Rate each category from 1 to 5 based on the PSP’s written response. 5 = specific, documented, benchmarked commitments. 3 = partially specific with gaps. 1 = vague, non-committal, or refused to answer.

Sample weighted scorecard

Category	Weight	PSP A (Stripe)	PSP A Score	PSP B (Adyen)	PSP B Score
1. Pricing and Economics	25%	IC+ at 0.25% + $0.08/txn, all fees itemised	4	IC+ at 0.20% + $0.10/txn, scheme fees at cost with documentation	5
2. Acquiring and Routing	20%	US + EU direct acquiring, no intelligent routing below $5M	3	US + EU + APAC direct acquiring, intelligent routing available	5
3. Tokenisation and Portability	20%	Network tokens on VTS/MDES, PAN export available via manual process	3	Network tokens, PAN export documented in contract	4
4. Fraud and Risk Tools	10%	Native Radar, custom rules via dashboard, ML model	4	RevenueProtect, custom rules, ML model, Sift integration native	5
5. Reporting and Data	10%	Real-time API, CSV/JSON export, standard dashboard	4	Real-time API, full data warehouse sync, custom reports	5

Category	Weight	PSP A (Stripe)	PSP A Score	PSP B (Adyen)	PSP B Score
6. Reserves, Settlement, Contract	10%	T+2, no reserve at 0.28% chargeback, 30-day fee change notice	4	T+2, no reserve at 0.28% chargeback, 90-day fee change notice	5
7. Integration and Developer	3%	Excellent SDK coverage, strong docs	5	Good SDK, more enterprise-oriented, longer setup	4
8. Support and Operations	2%	Dedicated account manager at $5M, email + Slack	4	Named account manager at $5M, phone SLA available	4
Weighted Total	**100%**		**3.75**		**4.85**

Reading the result: the scorecard does not make the decision for you. It surfaces which provider performs better against the priorities you selected before the RFP responses arrived.

PHASE 04

Negotiation Levers

Use the gaps in written PSP responses to negotiate the terms operators most often leave on the table.

PHASE 04 / NEGOTIATE

Five terms to push before signing.

For merchants above $1M annual volume, these terms are worth testing. Above $10M, they should usually be negotiated as a package.

1. Acquirer Margin and Pricing Model

NEGOTIATION MOVE	If you are on blended pricing, ask for IC+ as the first move — not a lower blended rate. IC+ shifts the structure so the non-negotiable components (interchange, scheme fees) are visible, isolating the PSP's margin. For IC+, benchmark your current margin against the volume-tier norms: below 0.30% at $1M–$5M, below 0.20% at $5M–$25M, below 0.15% at $25M–$100M.
EXPECTED PUSHBACK	"Our blended rate is already competitive." This is unfalsifiable without IC+ visibility — which is precisely why they say it. The counter: "To evaluate whether your pricing is competitive, we need interchange and scheme fees broken out. We'll agree to a blended rate only after we've seen IC+ for one processing period."
ACCEPTABLE COMPROMISE	If a PSP won't move to full IC+, negotiate a rate review after six months on blended, at which point you have data to argue from.

2. Rolling Reserve Percentage and Duration

NEGOTIATION MOVE	At 0.3% chargeback rate or below, no reserve or a reserve below 3% with a 60-day hold period. The standard starting position PSPs take — 5–10% over 90 days — is a risk premium built for merchants they don't know yet. After three to six months of clean processing history, request a formal reserve review.
EXPECTED PUSHBACK	Reserve terms are set by underwriting and are "non-negotiable." This is partially true at the underwriting stage — but reserve reduction post-onboarding, based on demonstrated performance, is standard. Frame the request as a performance review, not a renegotiation.
WALK-AWAY POSITION	Any rolling reserve above 10% on a low-risk MCC with a sub-0.5% chargeback rate is not defensible. If the PSP insists on 10%+ for a clean merchant profile, it signals either that they are capital-constrained or that they don't trust their own risk model.

3. Settlement Timing

NEGOTIATION MOVE	T+1 for low-risk merchants at $5M+ annual volume. T+2 is the standard; T+1 is achievable and directly reduces working capital tied up in settlement float. For merchants with high-volume days (e.g., end-of-month subscription renewals), the float on a T+2 cycle can run $100K–$500K at steady state.
EXPECTED PUSHBACK	T+1 is only available for certain merchant risk tiers or specific acquirer relationships. In some markets (notably some EU acquiring routes), T+2 is the network minimum.
ACCEPTABLE COMPROMISE	T+2 with a contractual cap — the contract specifies that the PSP cannot extend settlement beyond T+2 without written notice and merchant consent, except for defined risk events with specific triggers and a maximum duration.

4. Early Termination Clause

NEGOTIATION MOVE	A mutual early termination right with 60 days' notice and no fee after the first contract year, or a fee that scales down linearly toward zero over the contract term. Standard industry ETF ranges from $500 flat to a multiple of three months of average fees — the latter can run $50,000+ at meaningful volume.
EXPECTED PUSHBACK	ETF covers the PSP's integration and onboarding cost, which is a legitimate argument for the first contract year. After year one, the argument weakens.
ACCEPTABLE COMPROMISE	ETF waived if the merchant terminates for cause (PSP breach of SLA or material change to pricing) — get this in writing. If you cannot eliminate the ETF, cap it at a fixed dollar amount rather than a multiple of fees, so you know your exit cost at signing.

5. Fee Change Notice Period

NEGOTIATION MOVE	90 days minimum notice before any fee increase takes effect, plus a right to exit at no penalty if fees increase more than a defined threshold (e.g., 0.05% on blended or 0.02% on IC+ markup) within any 12-month period.
EXPECTED PUSHBACK	Standard terms provide 30 days. Some PSPs argue that 90 days is operationally impractical for routine Visa/Mastercard interchange adjustments (which happen in April and October each year). This is a legitimate point — carve out scheme fee pass-throughs from the notice requirement, but hold the line on acquirer margin and ancillary fee changes.
ACCEPTABLE COMPROMISE	60 days for fee changes below a threshold amount; 90 days for material increases. Define "material" in the contract — not in correspondence. ---

COMPARISON MATRIX

Capture vendor responses side by side.

Blank cells, “TBD,” or vague text are signals. Fill this in before scoring so every provider is measured against the same dimensions.

Commercial and operating terms

Dimension	PSP A	PSP B	PSP C
Pricing model (blended / IC+)			
IC+ acquirer margin (%)			
Per-transaction fee ($)			
Monthly / gateway fee ($)			
Minimum monthly fee ($)			
FX markup above mid-market (%)			
Scheme fees at cost (yes / no)			
Chargeback fee ($)			
Refund fee (% or $)			
Settlement timing (T+X)			
Rolling reserve (%)			
Rolling reserve duration (days)			
Direct acquiring — US (yes / no)			
Direct acquiring — EU (yes / no)			
Direct acquiring — other markets			
Intelligent routing (yes / no)			

Technical, support, and qualitative criteria.

Dimension	PSP A	PSP B	PSP C
Network token coverage (%)			
3DS2 — frictionless rate (%)			
Token portability on exit (yes / no)			
PAN export on exit (yes / no)			
Fraud tools — native ML (yes / no)			
Third-party fraud integration (yes / no)			
Real-time transaction API (yes / no)			
Contract term			
Fee change notice period (days)			
ETF ($ or formula)			
Named account manager (at what volume)			
Uptime SLA (%)			
API quality (1–5, subjective)			
Pricing transparency (1–5, subjective)			
Support quality in trial / RFP process (1–5)			

CONTRACT REVIEW

Red Flags Checklist

Review these clauses before signing. They are the terms that can cost merchants money on reserves, exits, pricing, liability, and operational continuity.

CONTRACT RED FLAGS

Clauses to check before signature.

This is not a legal review. It is an operator’s checklist for identifying commercial and operational risk before sending the agreement to legal or signing standard terms.

1. Reserve increases at PSP's sole discretion without defined notice or metric trigger

The contract allows the PSP to increase your rolling reserve based on "risk assessment" or "changes in processing patterns" with notice as short as 5 business days and no requirement to justify the increase against specific data. The baseline reserve percentage in your signed agreement is a floor, not a ceiling.

FLAG IT IF

The reserve clause does not specify minimum notice (30 days is the baseline ask; push for 30 days with a right to contest), does not tie increases to specific measurable triggers (chargeback rate exceeding X%, dispute count exceeding Y), or gives the PSP unilateral authority without appeal process.

2. Immediate account suspension for "cause" with a broad definition of cause

Standard PSP agreements distinguish between termination (60–90 days' notice) and suspension (immediate, for cause). The problem is when "cause" is defined broadly enough to include "activities that create reputational risk," "changes in business model," or vague acceptable-use policy violations. Immediate suspension means your ability to accept payments stops and your funds may be withheld — effectively ending your business operations while the contract is still technically active.

FLAG IT IF

The AUP uses discretionary language ("activities we deem inappropriate," "businesses inconsistent with our values") rather than a specific prohibited categories list, or if there is no cure period (minimum 10 business days) for non-emergency compliance issues before suspension.

3. No data portability or token export on exit

When you leave, you need your data: transaction history, dispute records, customer vault data (card tokens or PANs), and reconciliation files. Many PSP agreements say nothing meaningful about exit data rights, which defaults to whatever the PSP chooses to provide. For subscription businesses with a large cardholder vault, the inability to export tokens forces a re-authorisation campaign that typically loses 10–25% of subscribers in the migration.

FLAG IT IF

The contract does not explicitly grant you the right to export (a) transaction history in machine-readable format, (b) full customer vault data or a documented PAN export process, and (c) reconciliation records — for a minimum of 24 months post-termination.

4. Fee change notice period below 30 days, or fee changes that take effect automatically without opt-out

Some PSP contracts allow fee changes to take effect with 30 days' notice, with no right to exit if you object. A few use language that changes take effect unless the merchant affirmatively objects in writing within 15 days — a clause easy to miss. Over a three-year contract, compounding fee increases of 3–5% annually can add up to a meaningful cost increase from your signed rate.

FLAG IT IF

The notice period is below 30 days, there is no exit right if you object to a fee increase, or the clause is written as "opt-out" (silence = acceptance) rather than requiring affirmative acceptance.

5. Customer chargeback liability without a dispute right or cure period

Your contract will make you liable for chargebacks. That is standard. The red flag is when the chargeback liability clause strips your right to dispute individual chargeback decisions, requires you to accept the PSP's chargeback categorisation without review, or holds you liable for PSP processing errors that result in disputes.

FLAG IT IF

The chargeback clause gives the PSP sole authority to determine chargeback validity, does not provide a merchant dispute process with defined timelines, or includes language making you liable for chargebacks resulting from PSP system errors or network errors.

6. Exclusive acquiring requirement — prohibition on a secondary PSP

Some PSP contracts include exclusivity language requiring you to route all payment volume through them, or prohibiting integration with a competing processor. For any merchant at $5M+ volume, single-PSP dependence is an operational risk — one account suspension or infrastructure outage takes your entire payments operation offline. Multi-PSP routing is also the primary negotiating leverage in rate negotiations.

FLAG IT IF

The contract includes language prohibiting "competing payment processor relationships," requiring a minimum volume share above 80%, or defines using a secondary PSP as a material breach.

7. Indemnification clauses that shift PSP operational liability to the merchant

Standard indemnification in a PSP agreement makes you responsible for claims arising from your use of the platform. The red flag is when the indemnification is written broadly enough to make you responsible for claims arising from the PSP's own operational failures, security incidents, or third-party processor errors.

FLAG IT IF

The indemnification clause covers claims "arising in connection with the services" without carving out claims caused by PSP negligence, security breaches on the PSP side, or third-party acquiring partner failures.

8. Mandatory arbitration in an unfavorable jurisdiction or with fee provisions that deter claims

Mandatory arbitration is standard in US merchant agreements and increasingly common in EU contracts. The flag is when the arbitration clause is designed to make disputes impractical: selecting an arbitration forum in a jurisdiction far from your operations, requiring cost-sharing provisions that make small claims economically irrational, or waiving the right to class arbitration in a way that exposes you to individual losses you could not practically recover.

FLAG IT IF

Arbitration is required in a jurisdiction where you have no operations, cost-sharing provisions require you to pay the PSP's arbitration fees if you lose, or there is no small claims carve-out.

9. Auto-renewal without an exit window

Multi-year contracts typically auto-renew unless terminated within a specified window — often 60 or 90 days before the end of the contract term. Miss the window and you are locked into another full term. PSPs do not proactively remind merchants of these windows.

FLAG IT IF

The auto-renewal provision does not require the PSP to give you advance notice of the renewal date and the opt-out window, or the opt-out window is shorter than 60 days. Add a calendar reminder for 120 days before your contract end date the day you sign.

10. "Reasonable" or "prevailing market" pricing language that allows unilateral rate changes

Some contracts define pricing as "our standard rates as published," "rates consistent with prevailing market," or "as notified by us from time to time," rather than as fixed schedules attached to the contract. This language means the PSP can change pricing at any time — the only notice required is whatever the agreement says, which may be 30 days. The pricing schedule becomes a living document the PSP controls.

FLAG IT IF

Any fee is defined by reference to a document or schedule that the PSP can update unilaterally, rather than as a fixed figure or formula attached to the signed contract. Every fee that matters to you should be a fixed line item in the contract or in a pricing schedule that requires mutual amendment to change.

RESOURCES AND NEXT STEPS

Go deeper before final selection.

Use these PaymentBrief guides to pressure-test the most important dimensions before you finalise your PSP selection or contract negotiation.

The MDR Stack: Reading Your Processing Statement Line by Line

A bottom-up breakdown of every fee layer in the merchant discount rate — interchange, scheme fees, acquirer margin, FX markup, ancillaries, and the off-statement working capital layer. Essential reading before any pricing conversation.

https://paymentbrief.com/articles/mdr-stack-reading-processing-statement-line-by-line/

Interchange-Plus vs Blended Pricing

The structural difference between IC+ and blended pricing, when blended is fine and when it costs you, and how to calculate your actual PSP margin under each model.

https://paymentbrief.com/articles/interchange-plus-vs-blended-pricing/

14 PSP Contract Red Flags That Cost Merchants Millions

A clause-by-clause guide to the PSP agreement terms that shift risk to merchants on reserves, pricing, exit rights, and liability. Read before you sign anything.

https://paymentbrief.com/articles/psp-contract-red-flags/

Merchant of Record vs PSP: When to Switch

The structural differences between MoR and PSP relationships, and the specific triggers — geographic complexity, tax exposure, regulatory coverage — that make an MoR switch worth the cost.

https://paymentbrief.com/articles/merchant-of-record-vs-psp-when-to-switch/

Stripe vs Adyen vs Checkout.com: 2026 Pricing Teardown

A current side-by-side comparison of pricing, acquiring coverage, and feature parity across the three most commonly evaluated PSPs at the $1M–$25M volume range.

https://paymentbrief.com/articles/stripe-vs-adyen-vs-checkout-2026-pricing-teardown/

PSP Negotiation Playbook: Getting Better Rates After Year One

How to structure a renegotiation with your existing PSP — when to do it, what benchmarks to bring, and which terms actually move at different volume tiers.

https://paymentbrief.com/articles/psp-negotiation-playbook/

The Working Capital Cost of Payments

How to model the full cost of reserves and settlement timing as a working capital number, not just a percentage — and what terms to negotiate to reduce it.

https://paymentbrief.com/articles/working-capital-cost-of-payments/

Network Tokens vs PSP Tokens: What Merchants Need to Know

The difference between network-issued tokens (portable) and PSP-proprietary tokens (not portable), and what this means for your migration options if you switch processors.

https://paymentbrief.com/articles/network-tokens-vs-psp-tokens/

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