

MERCHANTS

Declined for a merchant account: what the reasons mean and what to do next

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Providers rarely explain a decline in full. The common reasons behind one, which can be fixed and which cannot, and how to approach the next application.

A decline from a payment provider usually arrives as one line: the business "does not meet our criteria" or "falls outside our risk appetite". The provider is not being evasive for its own sake. It is often not permitted to explain a decision that rests on fraud screening, and it has no wish to coach an applicant past its controls.

That leaves the merchant to work out what happened. Most declines come from a short list of causes.

The provider does not take the business

This is the most common reason and the least personal. Every provider has industries it will not serve, countries it cannot board and volumes it considers too small or too large. A decline of this kind says nothing about the merchant. The same application may be ordinary business to the provider next door.

What to do: apply elsewhere, and check the next provider's stated criteria first.

The application could not be verified

The underwriter could not confirm who owns the business, where it is registered or that its documents are genuine. Missing documents, names that do not match across them, and ownership through layers of companies all lead here.

What to do: this is fixable. Assemble a complete set: registration documents, identification and proof of address for each director and owner, a clear ownership chart, and a bank statement in the company's name.

The website failed review

No refund policy, no company details, prices missing, or products that the application did not mention.

What to do: fixable, and usually quickly. Correct the site before applying anywhere else, because the next underwriter will open it too.

The numbers worried them

A chargeback ratio that is high or rising, a refund rate that suggests unhappy customers, or volumes that do not fit the size and age of the business.

What to do: partly fixable. A provider wants to see the trend improving and the reason for it. Bring several months of statements and say what changed.

The history did

A previous account closed by a provider, an entry on Mastercard's MATCH list of terminated merchants, or adverse information about a director.

What to do: this cannot be removed, only explained. Say what happened before the provider finds it, and say what is different now. Expect a narrower choice of providers and firmer terms.

The finances were too thin

A business selling goods delivered weeks later, with little capital behind it, exposes the provider if it fails. So does a new company with no accounts.

What to do: offer security. A reserve, a lower monthly cap to start with or a shorter delivery time can turn a no into a conditional yes.

Something did not add up

The application said one thing and the website, the bank statements or public records said another. Underwriters decline on inconsistency alone, because they cannot tell an error from a concealment.

What to do: read your own application against everything a stranger can find about the business, and make them agree.

Before you apply again

1. **Ask.** The provider may not give the full reason, but it will often say which area the problem was in: documents, website, industry or history.

2. **Fix what was found.** Reapplying unchanged produces the same answer, and at some providers a decline is final.
3. **Do not apply everywhere at once.** A string of declines becomes a fact the next provider can ask about. A few applications to providers whose criteria you meet do better than twenty sent in hope.
4. **Describe the business exactly.** Never soften the industry or leave out a product to get past the first check. An account opened that way is closed when monitoring catches up, and that closure follows the business to the next application.
5. **Check the fit first.** Whether a provider accepts your industry, your country and your volume is knowable before you apply. It is the cheapest thing to find out and the most common reason for a decline.

A decline costs time, and repeated ones cost standing. The aim is not to apply more often but to be declined less.

Read online: <https://payments-marketplace.com/insights/merchant-account-declined/>

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