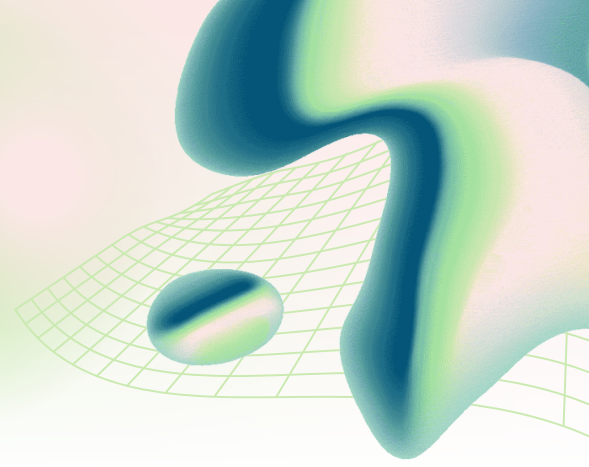


POS CONTRACT PITFALLS

Avoiding Costly Mistakes in Selecting Your
POS System



POS Contract Checklist: 10 Things That Can Cost You Thousands

For restaurant owners, choosing a Point of Sale (POS) system is a critical decision that can significantly affect your bottom line. A poorly understood contract can lead to unexpected fees and overpayments. Below is a practical checklist to help you avoid hidden fees, bad contracts, and long-term overpayment.

Before You Sign Any POS Contract

Many restaurant owners overlook 2-3 crucial points in their POS contracts, resulting in overpaying \$1,000–\$6,000 annually. Use this checklist to thoroughly audit your POS agreement before signing.

1. Contract Term Length

- Is the contract 3 years or longer?
- Can you negotiate it down to 2 years?

Long contracts reduce flexibility and lock you into pricing.

2. Monthly Subscription Fee

- Is the fee fixed or can it increase?
- Are there hidden add-ons not included in the base price?

A "\$29.99/month" plan rarely stays \$29.99.

3. Processing Rates Transparency

- Are rates broken down into:
 - Interchange
 - Processor markup

- Assessment fees

If you only see “2.75% all-in” — you’re blind to markup.

4. Non-Qualified Surcharges

- **Are there extra fees for:**
 - Card-not-present transactions
 - Business/commercial cards

These can add +1–2% per transaction.

5. Annual Program / Compliance Fees

- **Is there a \$250 per device yearly fee?**
- **Are PCI compliance fees included or separate?**

Many restaurants only discover this in year 2.

6. Equipment Ownership

- **Do you own the hardware or is it leased?**
- **What condition is required for return?**

“Free hardware” usually means you own nothing.

7. Early Termination Fees (ETF)

- **Is it:**
 - Flat fee?
 - Prorated?
 - Based on lost revenue?

Exit penalties can reach \$5,000–\$30,000+.

8. Data Overage & Integrations

- **Are there limits on:**
 - API usage
 - Data volume
- **Are integrations charged separately?**

Hidden integration fees = \$50–\$200/month.

9. Price Increase Clause

- **Can the provider increase fees mid-contract?**
- **Is there a cap?**

“30-day notice” clauses = unlimited price increases.

10. Auto-Renewal Terms

- **Do you need to cancel 30 days before expiry?**
- **Is it clearly documented?**

Miss it → you're locked in again.

Reality Check

Most POS systems don't make money on software but on processing fees and contracts, which is where you might lose money.

Quick Test

If you cannot clearly answer at least 8 out of the 10 points above, you likely don't fully understand your contract and are overpaying.

Need Help Reviewing Your POS Contract?

I assist restaurant owners by:

- Breaking down hidden fees
- Calculating real processing costs
- Identifying overpayments
- Negotiating better rates

Upload your merchant statement and get a breakdown within 24 hours.

Your data is confidential and never shared.