

## Bank of America Merchant Services - First Data BAMS

A report at Scam Informer (<http://www.scaminformer.com/scam-report/bank-of-america-merchant-services--first-data-bams-first-c29817.html>)

Business owners and consumers need to be made aware that Bank of America Merchant Services is partnered with First Data Corp. Note: that Bank of America Merchant Services is Banc of America Merchant Services, a new start up company, aka BAMS. It's in the fine print about the name.

They claim they have next day funding for merchants who are processing with them, but when you call their customer service number, that is absolutely not the case. If you call 800-430-7162, they have up to 48 hrs and depending on who answers the phone, you get different information each time. Most of the sales people will never return your calls once you have signed up with them, either.

The upper management, Tom Bell and Carl Mazzola, are using the, "burn and churn" technique to continually hire, and then fire, the sales team. They then keep the revenue paid to those sales people.

The sales team is assigned a group of banking centers. They are directed to get leads from the banking centers and then try to convince those business owner leads to process their credit charges through them. They have one trainer with a cavalier attitude towards training and a new assistant trainer with a lackluster skill set.

The merchant reps are told to charge "bill back" to the merchants at up to 1.5% and this is not to be disclosed to the merchant. The fees for credit card processing are decided based on a formula from First Data.

First Data has a monopoly on the credit card processing industry and they are in cahoots with almost every major bank in the country. You may leave Wells Fargo, Chase, Costco and other banks but you are still dealing with the same terrible customer service with an attitude. They answer the phones for every bank but use different phone numbers when you call in. They don't like to charge Interchange Gross or Net since they can't charge "bill back" to the merchant. The contract is for 3 years; however, they can re-evaluate any account at any time and change the rate from the original amount the merchant signed up for based on the volume that the merchant has processed.

If you decide to buy your equipment they add a "convenience fee" of \$30 to divide it out into 3 payments. Their leases are non cancellable and they have a \$495 early termination fee. They don't explain their pricing when you sign up for the services. The merchant also does not receive a copy of the paperwork at the time they signup. Instead, they mail it to you because they are using an electronic signature pad. They are also required to give you a copy of the 50+ page booklet about your rights, interchange pricing, and the like, but they don't since they don't provide enough copies to their sales team in order to keep their expenses down.

They have a \$500 offer that they can beat any pricing. They use the PCI compliance fee for the excuse, not monthly statement fees.

They say you can go into any banking center and they can help you with merchant services but this is absolutely untrue. The banking centers are not even trained as to how to handle questions about services, fees, inquires, etc. The merchant reps and the banking centers do not receive credit for a new merchant account until the merchant activates their account with a transaction of at least \$20.01. Yes, that extra penny is the key here. The merchant reps are also told to have the merchant use their debit or credit card to "test" the account.

The merchant reps are not real Bank of America employees, yet they are given access to the customer's information at the banking centers. How is consumer information kept confidential?

First Data makes it impossible to use your current gift cards with their network so the merchant is forced into purchasing new gift cards that take over 30 days to receive. This is not a good investment for the merchant as they can lose sales while waiting for the gift cards. The caveat here is that First Data owns the Star network that processes debit cards. They also have partnered with Telecheck and many people online have complained about their checks not being accepted. When the sales team sells the Telecheck product to the merchant, they fail to inform the merchant and consumers that there is a \$50 floor limit until the consumer or business owner has been in their system for at least 6 months. Also, they have cut their expenses by 60% for the rest of 2011 and so cannot even supply their merchant reps with office supplies.

They are not Bank of America and have farmed-out some human resource functions to Alpha Staff. However, when they are called, they do not have enough staff to handle the calls and if you have a complaint they take it to the associate manager and thus, merchant reps have no neutral place to go to for assistance.

Labor law issues are being broken. Bank (Banc) of America Merchant Services (BAMS), and/or First Data require their sales team to physically go and visit the merchant's business, but at the same time they are telling their sales team that they cannot pay them mileage. They expect the merchant reps to pay their own gas to run the bank's business. They have a Code of Ethics with written agreement that they will pay the sales person mileage. They are required by law to pay mileage but are forcing the sales team to commit fraud. They force the sales team to fabricate stories that they physically visited the merchant's business. They expect the sales team to be out in the field but don't want to pay them for their mileage.

Carl Mazzola is demanding a "deal a day" and that merchant reps do not go home until they have accomplished this even though the employee contract is for a 40 hr work week. On top of not being paid for mileage, this is just unethical.

Many of the sales managers engage in the very questionable practice of cutting expenses so they get a bigger "bonus" or "pay out."