

Payment Processing Solutions for Businesses Worldwide



Jason Field
CEO & Founder

About Instabill

Located in Portsmouth, N.H., Instabill has been an industry-leading, full-service provider of merchant services for e-commerce, MOTO and POS businesses worldwide since 2001. Instabill relies on a trusted network of domestic and international banking partners and its PCI DSS-compliant payment gateway allows for payment processing solutions in over 160 currencies for low to high risk industries including nutraceuticals, travel, forex, online dating, adult, e-cigarette and many more, enabling merchants to accept MasterCard, Visa, American Express, China Union Pay and Diner's Club International worldwide.

From domestic to offshore and international, startup to existing business, low risk to high risk, Instabill offers payment processing solutions for businesses of all shapes and sizes, making it the one-stop shop for all your processing needs.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Field, what was the original concept for Instabill and where are you today?

Mr. Field: The original concept for Instabill back in the early 2000's was to provide a safe haven merchant acquiring home for internet businesses. In the UK, acquiring banks took a long time to approve internet merchant accounts. Often the required up-front capital needed was too burdensome for businesses. Instabill established processing relationships with European acquiring banks that were more progressive in the e-commerce payment space and imposed fewer credit restrictions. Since then we have expanded our e-commerce banking partners across North America, South America, Asia and now Africa.

CEOCFO: Who is typically using your services today? Why Instabill as opposed to any one of your competitors?

Mr. Field: Instabill's clients are based worldwide. They are typically established medium to high volume e-commerce merchants and mail order / telephone order merchants who are seeking additional merchant accounts in multiple jurisdictions. This will provide them with cost savings advantages including benefiting from local acquiring rates as opposed to paying higher cross-border processing fees. Local currency merchant accounts enable cardholders to make purchases in their own currency. Increased cardholder approval rates are achieved through opening merchant accounts in the country or region where the cardholder resides. Instabill therefore is a one-stop shop for e-commerce businesses, regardless of their business category, geographic location or size. Here at Instabill we have a friendly, hands-on approach to merchants inquiring about their merchant account needs. Our account managers are trained to be advisors, not salespeople who may have different agendas.

CEOCFO: Are there many companies in this same space with the global reach and history of Instabill?

Mr. Field: There are a number of local competitors competing for e-commerce business in their respective, local markets. However, there are not many companies in the space in which Instabill specializes. Many payment service providers have come and gone over the years - there are very few who have stayed the test of time.

CEOCFO: The industry has become somewhat commoditized. Do potential clients appreciate the history of Instabill? Does it give them confidence that you can provide the best solution for them or is it really "what can you do for me today"?

Mr. Field: I think it is very much a "what can you do for me today mentality." Sure, having been in the international online payments industry since 2001 gives us credibility. But I also feel merchants are reaching out to us because of the excellent customer service that we provide along with our broad range of Merchant Acquiring Banks. One of my team's goals is to answer all incoming calls. We listen to the customer's payment needs and ask the right questions to determine if Instabill has a bank that will provide the right merchant account for that customer. Once we have done the underwriting

and various background checks to determine whether or not that is a merchant with whom we want to do business, our account managers will speak with our banking partners and present the story behind that particular merchant to see which bank is willing to take that merchant on.

CEOCFO: Did you work with high risk accounts initially or was there a deliberate decision to go in that direction?

Mr. Field: The first phase in my business plan was to provide the Online gambling community and adult entertainment industry with trustworthy and reliable merchant accounts with a couple of European Acquiring Banks. Many of these high volume merchants were processing their card transactions through a relatively small, unstable Acquiring Bank in the Caribbean. Frequently the Internet connection at the Bank dropped which halted all merchant processing. This downtime frustrated both merchants and customers as they often had to wait hours before the Banks' Internet connection was restored. These high risk merchants contacted Instabill because they knew we had more robust international banks that would accept their business. Having a firm foothold within these two industries, Instabill expanded into other high risk businesses such as forex, nutraceuticals, biz-op, travel, dating and e-cigarettes. From our experience with these industries, we are also able to facilitate low risk merchants such as retail, apparel, electronics and mobile apps.

CEOCFO: Is working with the high risk merchants a barrier to some of the lower risk merchants or are your services of such a high quality that people do not care who else you are working with?

Mr. Field: I believe our work with high risk industries has been a bridge to attracting low risk merchants. As I stated before, we began in the high risk industries, but now we work with just as many low risk businesses. We provide merchant accounts to many small and medium-sized enterprises (SMEs), startups and, of course, International businesses. Some of our clients came to us as startups and are now on various public stock exchanges. An example of this is the U.K. dating site Cupid PLC (formerly EasyDate), which is now on the FTSE AIM Stock Exchange. We have multiple merchant account solutions that fit both high and low risk businesses and our pricing for both categories of business is extremely competitive. Instabill also offers ISO's & Agents and Value Added Resellers with lucrative revenue share programs whereby in exchange for referring those declined, foreign or hard-to-place merchants Instabill shares its revenue equally with its referral partners.

"We're a customer service driven, merchant account provider. At Instabill we strive to answer all in-coming calls five days a week. We treat each caller as a VIP customer."

- Jason Field

CEOCFO: What are some of the challenges when you are working with merchants that do business in many different countries? Are you able to rely more on technology these days in helping you put together an offering?

Mr. Field: There are several challenges, and the most common is regarding currency. Each week we receive calls from merchants and partners asking us do we have a solution to process in a particular country's currency. In most cases we do – we process in over 160 currencies. There are also legal issues and constraints that we need to stay on top of and each merchant we work with must adhere to Visa and MasterCard's operating guidelines and procedures. We speak to merchants across the world and we are always willing to listen to their needs, but we do not accept all businesses. Technologically, there are several resources we utilize. Our acquiring banks will see if the merchant is listed on the Match List. We are able to perform credit checks both here in the U.S. and Internationally. We also utilize our own database of companies and owners who have inquired about a merchant account as far back as 2001. And we do an online reputation background check through the Better Business Bureau or other local platform providers to see if a merchant has a large amount of complaints against him. Once our Under-Writing Department is happy with their risk review, we are able to present the merchant with an offer.

CEOCFO: With all the security breaches lately, where does security come into play for you?

Mr. Field: In 2013, millions of consumer accounts were compromised by hackers. Between the Adobe and Target breaches alone, there were more than 260 million accounts that had information stolen. This information ranged from emails, phone numbers, and addresses to credit card info and everything in between. Because Instabill Corporation is an online credit card processor, this information is extremely relevant to us and our merchants. Here at Instabill, we believe it is important to evaluate our security processes in several different ways. It is simply not enough, in this day and age, to say that we keep our security patches up to date, and we make sure to maintain proper firewalls. There is a saying in the computer security industry that nothing is "unhackable", but by taking a multi-vector approach to security including network/systems security, physical security, HR screening, proper planning/security auditing, and personnel training, the risk can be effectively reduced and managed to very safe levels. Theft will never go away, and in the information age, information theft can be just as valuable to attackers as robbing a bank. However, with the appropriate precautions taken, a certain amount of due diligence, and a team of open and creative minds, the risk of theft can be virtually eliminated.

CEOCFO: *Would you tell us a little more about the ancillary services? You mentioned helping companies set up a corporation or perhaps get some funding. How big a part of the business is that? Do you see the extra services as a growth area?*

Mr. Field: We work alongside several fraud prevention companies that are connected to our payment gateway and help merchants reduce the number of chargebacks and fraudulent transactions. We assist our merchants with setting up incorporations in Europe and Asia. We advise the merchant on setting up their companies in different areas and make certain they comply with the card associations (Visa and MasterCard guidelines). Some of our merchants have customers who need alternative payment methods to credit cards, so we also offer automatic clearing house (ACH) and Check 21 transactions, which is something we began last year. It has certainly been a growth area for us.

CEOCFO: *It seems like you have almost limitless opportunity. There are so many countries, businesses and changing regulations; how do you keep up?*

Mr. Field: We keep informed of changing regulations mostly through communication with our banking partners, with whom we maintain healthy relationships. We also attend many conferences and tradeshows, both internationally and here in the states, where we learn of current events and issues within the Payments Industry. For example, when we attended ETA Transact 14 in April, the hot issues there were Operation Choke Point and the latest credit card data breaches. Keeping up on regulations is very much a two-way street. We maintain several blogging sites and when our copywriters hear or read of an issue that pertains to one of our merchants, we write an article to keep them updated as well. Lately the issues concern payday lenders, medical marijuana processing, e-cigarettes, gaming laws and Bitcoin.

CEOCFO: *How is business these days?*

Mr. Field: Instabill is the consummate Payment Service Provider for Domestic and International e-Commerce merchant services. We have more domestic and offshore banks connected to our gateway than ever before, which means we can service a wider portfolio of merchants. We have doubled the number of acquiring banking partners in the U.S. over the last 12 months, enabling us to facilitate significantly more domestic merchant accounts than we could a year ago. Additionally, Interchange pricing is dropping in Europe, so we are expecting tremendous growth as European merchants become unsettled with their existing merchant discount rate pricing. And I have to credit our sales staff – our 2014 first quarter sales have tripled what we did during the first quarter of last year. We also received an 'A' rating from an annual survey of PSPs from CardPaymentOptions.com, which is a website dedicated to reviewing credit card processors.

CEOCFO: *What accounts for that? Was there a deliberate push this year?*

Mr. Field: We've significantly expanded our Partner Program. By establishing this new Partner department at Instabill we share the net processing revenues with any ISO, agent or VAR (Value Added Reseller) who refers Instabill clients that need merchant accounts. Additionally, many of our competitors only work with one or two domestic banks, and when a bank declines a merchant application, that company is losing that account. By signing with Instabill, we have the resources to place the account with one of our domestic or international banks. We attend more trade shows and conferences which allow us to meet with more merchants and reselling partners, new and existing. Additionally, we have prioritized our social media and SEO efforts and we have doubled our sales staff from a year ago.

CEOCFO: *Why was this the time for the increased effort?*

Mr. Field: I think it comes down to overall global economics. Global economies are in a much better position today than they were two to three years ago. We have seen e-commerce spending continue to grow, particularly in the U.S. and Europe. We know that e-commerce grew 17 percent in the U.S. in 2013 and is expected to increase five-fold to \$50 billion in 2020. E-commerce is also expected to grow 12.2 percent per year in Europe through 2016. When Wal-Mart's new CEO, Doug McMillon, took over in February, his No. 1 concern was to improve Wal-Mart's e-commerce efforts. Facebook and Twitter have announced e-commerce initiatives. E-commerce growth is everywhere. The number of merchants who are inquiring with us continues to rise, whether they're startups in need of merchant services or existing businesses looking to expand.

CEOCFO: *Why does Instabill stand-out as a company in your competitive space?*

Mr. Field: We're a customer service driven, merchant account provider. At Instabill we strive to answer all in-coming calls five days a week. We treat each caller as a VIP customer. We listen to their payment needs and learn about their business. We take the time to advise them on the ideal merchant account solution and remain as their internet payments resource throughout the life of the business. We continue to expand our merchant acquiring across the globe. To be a successful payment service provider, you need to have the banks that can support the customers' payment needs.

BIO: Jason Field is the CEO of Instabill, which he founded in 2001 in his native London, England and relocated to Portsmouth, N.H. in 2006. Ever an advocate, spokesperson and student of the payments industry, he attends upwards of 10 international payments conferences and e-commerce trade shows each year. Outside of Instabill, Mr. Field is a youth soccer coach and a happily married father of four children.

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Instabill
875 Greenland Rd.
Portsmouth, NH
(603) 436-1270