



# Underwriting Documentation

In payment processing, merchant underwriting is a risk assessment every merchant undergoes before they can accept electronic payments. Underwriters use documents to verify identity, credit history, and assess an applicant's financial status, while ensuring the info provided is accurate.

When Payrix processes transactions on behalf of a merchant, we are taking on a certain amount of risk. Processing a payment is like providing a business with credit, like a line of credit. Payrix will do their due diligence and assess a business' merchant risk level before going ahead and providing them with a merchant account. This process is called underwriting. Payrix uses a combination of automated tools and manual reviews to assess these factors and determine the risk level associated with a merchant. Depending on the outcome of the underwriting process, a merchant might be approved, approved with conditions, or denied payment processing services.

## Business Information

- Business registration details and documentation (i.e., SS4, Secretary of State (SoS) documentation, Articles of Incorporation, etc.)
- Location of the business, physical and online presence (i.e., utility bill, lease agreement, website, etc.).

## Business Model and Operations

- Description of products or services offered by the business, to include delivery timeframes or subscription models, and refund and chargeback policies.
- Supplier or drop-shipper information (i.e., contracts, proof of delivery, proof of possession, etc.)

## Compliance and Risk Assessment

- Anti-money laundering (AML) and know your customer/know your business (KYC/KYB) checks (SSN Card, SS4, Articles of Incorporation, Secretary of State (SoS) documentation, etc.)
- Evaluation of any previous history of fraud, excessive chargebacks, or legal issues.
- Validate owner and business against the list of Office of Foreign Asset Control's (OFAC) Specially Designated

## Financial Information

- Business financial statements (i.e., income statement, balance sheet, cash flow statement, bank statements, and/or processing history if the business has previously accepted payments, etc.)
- Personal and/or business credit reports to evaluate creditworthiness.

Payrix will also conduct Fraud Identity Validation to ensure that we are doing business with a valid merchant/owner. Information and/or documentation may be required to onboard an account in which there are indications of fraudulent identity will be required to provide: a copy of government issued identification and a selfie, proof of phone ownership, proof of address, etc.

At Payrix, we take our responsibility to keep our partners and their merchants safe and secure. This responsibility extends to not just our Partners themselves, but also the consumers who use the businesses' services.



## FAQs

### Why do you need a copy of the driver's license and a selfie?

Identity theft is an increasing problem across the industry and millions of consumers/business are victimized each year. In fact, Identity theft cases where multiple individuals using the same or similar identity information increased from 4,063(2021) to 10,345(2022). This is more than double from the year before. As a result, it is imperative that organizations help prevent accounts being opened without consumers/companies knowledge. Providing this information allows us to verify that the information on the account is legitimate (driver's license) and that person is applying is the true person applying for the account (selfie).

### Why are you asking for my phone bill?

A phone bill can be used to verify your identity. By comparing the information on the bill with the information you provided during account registration, the payment processor can confirm that the information provided at signup is valid and accurate. In addition, this helps prevent fraud and unauthorized use of accounts. Fraudsters and scammers often create fake accounts using stolen or fabricated information. Requesting a phone bill can be a way to prevent this kind of activity. Legitimate users are more likely to have a genuine and recent phone bill associated with their account.

### Why do you need a bank letter/voided check/bank statement?

Verifying your bank account is crucial for payment processors to ensure that the account is valid and belongs to you. A bank letter, bank statement, or a voided check can help confirm your account details, such as your account number and routing number. Because you are linking a bank account to your Payrix processing account, providing a bank letter, bank statement, or voided check can help establish the connection and verify ownership.

### Why do you need a website on my application?

A website can provide transparency about your business operations, products, pricing, and terms of service. Payment processors may review your website to ensure that your business aligns with their policies and guidelines. In addition, Your website content and business model can provide insights into the type of transactions you'll be conducting, which helps the payment processor evaluate the potential risks and fraud.

For more information visit:

[Financial Crimes Enforcement Network](#)

Call us today on (855) 672-9749 or email [sales@payrix.com](mailto:sales@payrix.com).