

AUTO\$ENSE

California
Service Station
& Automotive
Repair Association
CSSARA

Credit Card Processing–Chevron, the WORST!

Chevron Dealers are complaining about Chevron's credit card processing policies. It seems that Chevron, one of the country's largest oil companies, is creating financial hardship by holding revenue from its dealers for long periods of time which severely impacts their cash flow and for smaller volume dealers, is very discriminatory in nature. Chevron Dealers have brought this up to Chevron management with little, if any, results. Chevron bolsters huge profits and this policy of cash flow manipulation should be illegal.

Examples are lower volume dealers who may do under 3-4 loads per week in some cases have had to wait as long as 14 days to receive Electronic Fund Transfer (EFT) credits into their bank accounts. This cripples their cash flow to the point where they almost have to live on a line of credit in order to pay their other debts including payroll. Is someone as large as Chevron actually extending credit when they will not transfer funds in a timely manner back to their customer? I think not. In essence, Chevron is not giving credit on gasoline. It is holding the dealer's credit cards effectively making it a "cash in advance" transaction.

Banks, Independents, and other majors credit the Dealers' bank accounts within 24-48 hours. Chevron requires a gas delivery before processing and scheduling a deposit to Dealer accounts. Therefore a typical Chevron Dealer does not have a timely transfer of funds related to credit card purchases. This presents a cash flow problem for the small business person, especially in these times of credit constraints. Chevron Dealers are incurring unnecessary expenses such as increased bank account analysis fees, interest on lines of credit, missed tax payments, interest and penalties on these late payments, etc. – all because these revenues are in Chevron's hands rather than the small business' bank account.

Chevron's policies are definitely discriminatory in nature and are an impediment to a dealer's ability to remain financially viable.

CHEVRON CONT.

It especially punishes those who have a high percentage of credit card sales, high additional profit center sales, and those with lower gas volumes.

Some typical quotes from Chevron Dealers:

Chevron Dealer #1 –

"We are at a competitive disadvantage because it prevents us from procuring inventory. It depletes capital and it forces us to take loans and pay higher interest."

Chevron Dealer #2 –

"My bank account analysis fees were growing out of control. While I was reviewing my accounts with my banker he said 'Don't you have control of your funds and accounts?'. I looked at him for a long time, and truthfully answered, 'No I don't – Chevron controls my cash flow'."

Chevron Dealer #3 – "You know, right now, the Chevron gas in the ground is paid in full. My sales from 3 days ago are still in Chevron's pocket. And I probably won't get it deposited in my bank account until next week. Is that fair? Why are they holding my car wash money? Chevron just does not care. There should be a law against this."

CALIFORNIA SMALL BUSINESS DAY!!

CSSARA invites you to join your association and your fellow members in attending the 2010 California Small Business Day on May 25, 2010 in Sacramento. Please call Chris at the CSSARA office (707 545 6376), or email cgooding@cssara.org if you are able to attend.

NEED SAFETY PROGRAM INFORMATION OR HAVE SAFETY QUESTIONS?

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