

Financial Risk

This article applies to:

[Pro](#)

[Max](#)

[Ultimate](#)

As a financially responsible service, Keap protects businesses and consumers by evaluating the risk of businesses seeking to process payments through Keap Pay. Keap Pay abides by the various laws and regulations set by the Financial Crimes Enforcement Network (FinCEN) that require financial institutions to validate, assess and monitor the businesses they connect with.

By holding high standards, Keap Pay is able to service customers to the best of its ability, have the opportunities to expand, add in new features, and all while staying federally compliant.

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What is Financial Risk to a Payment Processor?

Financial risk to payment processors is the balance between the likelihood of negative activities, to the stability of the payments you process. To evaluate financial risk a payment processor will assess your industry, the nature of your products and services, your terms of service, your transaction and chargeback history, as well as your cash flow management.

The underwriting team will evaluate your financial documentation (such as bank and processing statements), your website, other promotional material, and documentation that tells your clients what they will receive after they make a purchase, when they'll receive it, and how they may ask for a return/refund if they're not satisfied.

Why is it important?

To payment processors such as Keap Pay, maintaining high standards with their risk assessment is similar to how businesses aspire to develop a good reputation with their customers and potential clients. By maintaining good financial risk management practices, payment processors are presented with more opportunities to expand and develop further.

How does it affect me as a customer?

IMPORTANT: If your Keap Pay application is denied, or if your Keap Pay account is offboarded. This will ONLY affect your KEAP PAY account. In no way shape or form, does this affect your current KEAP APP.

During Keap Pay Onboarding

When applying for Keap Pay, we ask for information that is essential to the onboarding and underwriting process. Some of this information is for legally-required "Know Your Customer" (KYC) or "Know Your Business" (KYB) processes to identify and verify the identity of customers in order to prevent financial crimes such as money laundering and terrorism financing. When questions arise during this process you may be asked to provide additional verifying documents or clarification on specific information.

For more information on FinCEN and the Bank Secrecy Act, you can visit the FinCEN website at www.fincen.gov and <https://www.fdic.gov/news/financial-institution-letters/2021/fil21012b.pdf>.

Business Type

Certain business categories carry a very high risk of chargebacks and/or fraud and Keap Pay cannot support them at this time. This is not necessarily reflective of an individual business but rather an evaluation of the category as a whole. If your business falls into one of these categories, regrettably your Keap Pay application will be denied. You can find Keap Pay's list of [prohibited businesses here](#).

Other business categories may not be prohibited but will require additional information to verify its risk status. If your business falls under one of these categories, the payments team will reach out to gather supporting documentation for the risk assessment.

Supporting documentation

The supporting documentation that the payments team will ask for will provide better clarity on the following items,

- **Financial Health**
- **Products and Services Risks**

Financial Health

Have you had excessive chargebacks in the past?

Do you have sufficient cash flow to cover refunds and chargebacks?

Product and Services Risks

What kind of products/ services are offered?

What're the terms of services and/or refund policies?.

If payments are accepted in advance, how long until the products/ services are delivered?

For more information about the type of documents you may be asked for. Please [click here](#) to learn more.

Periodic Financial Check-ins

Once your Keap Pay application has been accepted and your account has been made active. The payments team may reach out to you if there are questions from our financial partners, they would be on,

- **Transaction Activity**
- **Legal Business Status**
- **Financial Health**

Transaction Activity

Our financial partners monitor the payments that are processed with Keap Pay and if any transactions fall outside of normal behavior such as higher payments than what's stated on the application. The payments team will be asked to reach out to you to get additional information and clarity on said transactions.

Legal Business Status

Keap Pay requires businesses to maintain a good standing with the state where their business is filed. If your business was marked as being legally dissolved, suspended, or is no longer in good standing, you will be required to resolve the issue in order to continue to use Keap Pay as a payment processor.

Financial Health

When a chargeback or refund occurs, the money is then debited from your connected bank account. If the account connected has insufficient funds to cover the debited amount, additional information may be required.. If there is a question

about the cash flow of a business, the payments team will reach out for financial documentation.
