

When a “Rate Match” Quietly Changes: One Business Owner’s Account of Merchant Fee Escalation and Exit Barriers on Gingr

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Overview

In early 2025, Cats in the City, a multi-location feline care business, discovered that its effective credit card processing rate on the Gingr platform had nearly doubled from what was originally promised.

What began as a routine review of merchant statements expanded into a months-long audit that documented:

- gradual, undisclosed merchant fee increases,
- notices embedded only in back-page PDFs,
- and a nonfunctional export tool that prevented the business from exiting the platform while billing continued.

The total documented financial impact exceeded **\$33,000**.

This account does not allege intent. It documents **what occurred, how it was identified, and why it may be relevant to other small businesses operating on platform-based payment systems.**

Background

Cats in the City adopted Gingr's software in 2021 for scheduling, client management, and payment processing across four locations.

At onboarding, Gingr offered a **2.47% flat credit card processing rate**, provided in writing, and represented as a rate match to Square. That rate was a material factor in the business's decision to migrate platforms.

Discovery of Fee Escalation

In January 2025, a merchant statement reflected an effective processing rate approaching **5%**, prompting concern.

A longitudinal audit was conducted, comparing merchant processing statements across multiple years rather than individual months. That review showed:

- Rate increases began incrementally several years earlier
- Peak effective rate reached **3.73%** in December 2024
- The average effective rate in 2024 was **3.08%**, approximately **0.61% above** the promised rate
- No direct email, dashboard alert, or affirmative notice was sent to the business regarding the increases

Gingr later pointed to disclosures contained within monthly merchant PDFs accessed through a separate portal. These disclosures were not surfaced directly to users and required intentional review of back-page documents to locate.

Attempted Exit and Export Failure

After identifying the discrepancy, the business attempted to export its data in order to exit the platform.

Gingr support acknowledged that:

- the export function was not working at that time, and
- no timeline for repair could be provided.

The business did not escalate emotionally or publicly, and instead continued operating while periodically checking whether the export issue had been resolved.

It was not.

Continued Billing During Known Exit Obstruction

Despite acknowledged export failure, subscription billing continued for approximately **eight additional months**, during which the business maintained paid access solely to preserve client and medical records.

This resulted in approximately **\$4,545** in additional subscription charges incurred during a period when meaningful exit was not feasible.

Total Documented Impact

- Merchant fee overcharges: **\$28,622.56**
- Subscription charges during export failure: **\$4,545.00**

- **Total documented financial impact: \$33,167.56**

All figures are supported by merchant statements, platform invoices, and support correspondence.

Why This Matters Beyond One Business

This case raises broader questions relevant to small businesses using SaaS platforms with integrated payments:

1. **Incremental fee changes can evade detection** when embedded in complex statements
2. **Data portability is essential** to informed consent and competitive choice
3. **Billing during known exit obstruction shifts financial risk entirely to users**

The business owner assembled a **104-page documentation packet** containing financial reconciliation, correspondence, and platform behavior analysis to understand and substantiate what occurred.

Scope and Limitations

- This documentation concerns a single business account
- It does not claim all Gingr users were affected
- It does not speculate on internal intent or decision-making
- It focuses on documented effects rather than motive

Closing

Cats in the City initially sought routine clarification and correction. When the issue did not resolve, the business documented what persisted.

This account reflects that record.

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