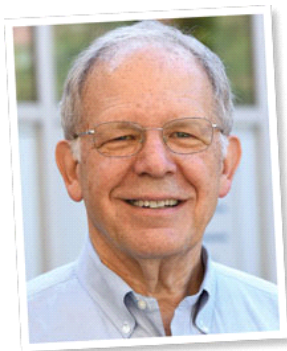


10/1/2024

Does Autopay Mean Always Pay?

Bill McCurry



Bill McCurry

Banks, utilities, subscriptions, vendors—it seems as if everyone were asking you to sign up for ePay, promising it'll automatically make your life “simpler.” Because of using incentives or having the ability to use the points from your airline credit card for the autopay, many small businesses are signing up for these “simplified” and “eco-friendly” services.

Anonymous retailers often call me to say they've learned from their mistakes. They ask to share their experiences with others without being publicly identified. We appreciate these calls. One told of a situation where autopay ran amok with a very large corporation: UPS.

This caller has a single store “selling close to \$2 million a year.” They don't sell live goods online, but have developed a moderate online gift and yard art business.

A friend told him about Pirate Ship, a website system that integrates with his store's point-of-sale system to generate shipping labels, track shipments and compare different shipping rates. It saves him employee time and money. He's thrilled with Pirate Ship and pays them for all his freight.

His UPS account was set up to autopay from his American Express card—he loved getting those points. One day, a month after he started with Pirate Ship, he casually looked at his AMEX bill and noticed a UPS charge. That wasn't logical because they were paying all freight costs through Pirate Ship. He casually asked his team to check it out.

Fortunately, his bookkeeper went one step further and looked at the online AMEX statement. He found there had been recent billings of \$18.20, \$24.60 and \$14.65. They immediately called UPS, rejected those charges and told them to cancel the account. UPS said they would investigate and would close the account. The next week, UPS billed them \$485, then later charged a staggering \$2,400.

The retailer was shocked to find UPS policy is to retain accounts. As long as someone has your number, they can charge your account. It goes directly to your credit card on autopay. The customer must find the errant charge and fight it out with UPS's international call center. Those agents only quote from what they read on their computer screens.

Desperate, our retailer went down to the UPS distribution center that serves his area. He firmly, but politely, asked to speak to the manager. He briefly told the manager his story and his difficulty finding a “real person with authority” who could give him straight answers. His local manager connected him to someone higher up who would

accelerate the investigation. Within a couple of months, all but the \$2,400 charge was credited back. FWIW: The \$2,400 was for a pallet, allegedly weighing 400 pounds, shipped Air Overnight (Saturday delivery). This one required “more research” before they would issue a credit.

Why hadn't UPS closed the account when asked?

“That's not our policy.”

Kudos to the retailer's bookkeeper who aggressively tracked this down before additional charges accumulated.

The retailer realized a danger was that he didn't see the backup documentation when the monthly bills were run through his credit cards. Meeting with his team, they devised a new process for handling “autopay” invoices. They now process the invoice for a check to be issued. The resulting check is printed not on check stock, but on plain paper. Then the supporting documents are attached, as they would be with a regular check. The plain paper document, which could have been a check, is then sent back to the same check signers, who must approve the expenditure. These documents are then filed, but only when properly signed off. This system is believed to be working to catch fiascoes, like UPS. It also ensures that everyone knows the company takes all funds and costs seriously, whether they're autopay, cash or checks.

This retailer hopes his oversights can help others to wake up and seriously review every account, every time. The money you save will be yours. **GP**

Bill would love to hear from you with questions, comments or ideas for future columns. Please contact him at wmccurry@mccurryassoc.com or (609) 731-8389.