Merchant Portfolio Diagnostic

You report 8.1% attrition. Your book is losing 14.6% of its residual a year.

Total residual looks flat because new merchants replaced the $543K that left. Sample book: 3,960 merchants, $3.72M net residual a year, 36 months of processor residual reports.

14.6%
of residual lost in the last 12 months, against 8.1% reported

$555K
of residual likely to be lost in the next 12 months at current rates

$2.3M
less five-year residual than your reported rate implies, the gap a buyer finds in diligence

Where the $690K of apparent loss went

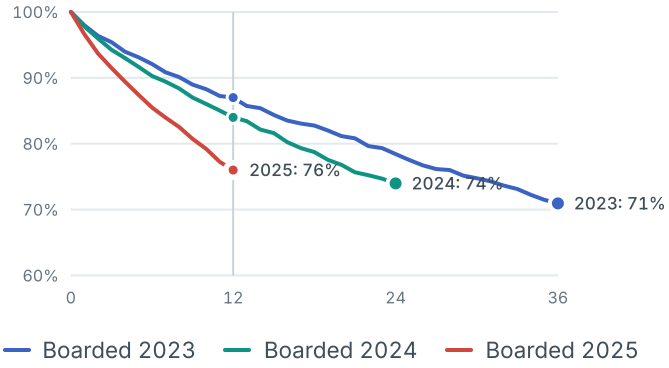
The raw feed overstates the loss, and closed accounts alone understate it. Last 12 months, net residual a year.



Closed accounts **$302K** · Open, not processing **$97K** · Processing less **$144K** · Seasonal dips that came back **$84K** · Same merchant, new merchant ID **$63K**

Newer merchants leave faster

Share of first-month residual still earned, by year boarded, over months since boarding. Dots mark 12 months.



Where next year's loss is likely to come from

Expected loss over the next 12 months at current rates

Segment	Merchants	Loss rate	Residual at risk
Restaurants	1,180	21%	$254K
Retail	1,050	13%	$122K
E-commerce	640	15%	$93K
Professional services	760	8%	$57K
Other	330	12%	$29K
Whole book	**3,960**	**15%**	**$555K**

Where action could matter

1. **6 of your top 50 merchants** show the volume pattern that came before past closures. Account manager call this month. — **$118K a year**
2. **37 restaurants boarded in 2025** have processed less for three months running. Check whether a competitor's rate is the cause before cutting price. — **$96K a year**
3. **212 accounts are open but not processing.** Check for moves to another processor, then win back or close. — **$97K lost**
4. **Ready for a rate-cut test.** Past cuts went only to merchants who asked, so history can't show if they work. About 180 merchants slip each quarter, enough for a test with a comparison group. — **Next step**

Method: merchants matched across processor reports and ID changes; loss split into closures, inactivity and lower volume, with seasonal dips set apart. Survival curves by boarding cohort; forecasts checked on past periods.

NDA first. Read-only access, no copy kept after the project.
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