



An Extended Guide · No. 1895

Terminal Leases and 'Free' Equipment — Contracts to Walk Away From

How equipment leases trap small
merchants, and what to do if you're in one

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! Before you sign for a 'free' terminal — read this

A free credit-card machine sounds like a gift. It usually isn't. Behind many 'free' terminals is a multi-year lease you can't cancel, personally guaranteed, that can cost many times what the hardware is worth. This guide shows you how these deals work, why buying your own reader is almost always smarter, and what to do if you're already caught in one.

Let's talk about equipment leases

Of all the ways a small business overpays on payments, the equipment lease is the one that makes me wince most — because it's the one that's easiest to avoid before you sign and hardest to escape afterward.

I'm Bill, and I run Bill's Home Tech here in Portage County, Ohio. In 30+ years of helping folks with technology, I've sat with more than one owner stunned to learn the little terminal on their counter had quietly cost them far more than a laptop would have. I don't want that to be you.

I run my own shop on Square and I bought my reader outright for a small sum. That's not me saying Square is best — it's me saying owning your hardware beats renting it, on nearly any system. I sell no processing and earn no commission, so I've nothing to gain here but keeping you out of a bad contract.

★ Read it with me before you sign

If someone has handed you a lease or a 'free equipment' agreement, don't sign until someone who isn't selling it has read it. That's a visit I'm glad to make. Call or text (330) 200-8042.

The whole guide, on one page

If you remember only these things, you'll dodge the most expensive mistake in small-business payments.

- ❑ A 'free' terminal is rarely free — it's usually tied to a lease, a higher rate, or a longer processing contract.
- ❑ Equipment leases are often **non-cancelable** and **personally guaranteed**, and can cost many times the hardware's purchase price.
- ❑ A leased or 'free' terminal is often locked to one processor — it can't simply be reprogrammed for another.
- ❑ The lease is usually a **separate contract** from your processing deal, written by a different finance company, and hard to exit.
- ❑ The fix for most small sellers: **buy your hardware outright**. Square and Shopify readers are cheap to own.
- ❑ Already leased? Read the lease, find the term, the buyout, and the auto-renewal — and talk to an attorney about exiting.

✓ The one rule

Buy your card reader, don't lease it. If a deal only works when the equipment is 'free,' the cost didn't vanish — it just moved somewhere you haven't looked yet.

How an equipment lease actually works

To see the trap, you have to see the structure. A terminal lease isn't like renting a car for a day — it's closer to being locked into payments on a machine you'll never own.

You sign a lease — often for 36 or 48 months — and pay a fixed amount every month for the terminal. The lease is typically written by a separate finance company, not your processor, which is why it can outlive your processing relationship entirely. And it's usually non-cancelable: you owe the full run of payments whether you use the machine, close the business, or switch processors.

Add it up and a terminal that might cost a modest sum to buy can cost many times that over the lease term. At the end, you often don't even own the hardware — you may have to buy it out or hand it back. That's the part that stings: you rented something you could have bought several times over.

! Non-cancelable means exactly that

The word 'non-cancelable' in a lease is not boilerplate — it's the whole deal. It means closing your shop or switching processors does not end your obligation. Owners have kept paying a lease on a terminal sitting in a drawer. Read for that word before you sign anything.

The personal guarantee — the part that follows you home

Here's the clause that turns a business cost into a personal one, and most owners never notice it until it's too late.

Many equipment leases include a personal guarantee. That means you — not just your business — are on the hook for the payments. If the business can't pay, or closes, the finance company can come after you personally for the balance. Incorporating your business does not shield you from a debt you personally guaranteed.

This is why a lease can haunt an owner long after a shop has closed its doors. The storefront is gone, but the personally guaranteed lease on the terminal is not. It's a quiet line in the paperwork with very loud consequences.

! Look for 'personal guaranty' before you sign

Search the lease for the words 'personal guaranty' or 'personally guarantee.' If they're there, understand that your own name, not just your business, is backing this. That alone is reason enough to prefer buying the hardware outright. When in doubt, have an attorney read it first.

Why 'free' almost always has a string

Nobody gives away hardware for nothing. When a terminal is 'free,' the cost is simply hidden somewhere you were encouraged not to look.

A 'free' terminal is usually paid for in one of a few ways: a higher processing rate that quietly earns the cost back many times over, a longer-term processing contract with an early-termination fee, or a separate equipment lease billing every month. The machine was never the product — your years of processing fees were.

There's a second string, too: a free or subsidized terminal is often locked to that one processor. It's programmed for them and can't simply be reprogrammed if you want to leave — so even if you escape the contract, the hardware may be a paperweight elsewhere. That lock-in is doing exactly what it was designed to do.

✓ Ask the free-terminal question

When someone offers a free terminal, ask plainly: 'What's the catch — a higher rate, a longer contract, a lease, or is it locked to you?' A fair rep will tell you. A dodge is your answer. The honest alternative is usually to buy a cheap reader you own free and clear.

Lease versus buy — it's not close

For the small readers and terminals most shops use, buying outright wins on nearly every count. Here's the honest comparison.

Lease the terminal	Buy the terminal
Pay monthly for years	Pay once, own it
Often non-cancelable	No ongoing obligation
May be personally guaranteed	No personal guarantee
Often locked to one processor	Freer to switch
Costs many times the price	Costs the price
May not own it at the end	Yours from day one

The modern small readers tilt this even further. A pocket reader from Square or Shopify, or an all-in-one handheld, is inexpensive to buy outright as of late 2026 — confirm current prices on the company's site. Owning it keeps you free to switch processors and spares you the whole lease trap.

★ **When might a lease ever make sense?**

Rarely, and only for expensive, specialized restaurant or retail hardware where financing is genuinely the plan — and even then, know the term and exit. For a normal reader or handheld, buy it. If you're unsure which camp your gear is in, ask me. (330) 200-8042.

The lease and the processing deal are two different animals

This is the detail that traps people: you often sign two contracts at once, and leaving one does not free you from the other.

Your processing agreement (who handles your card transactions and at what rate) and your equipment lease (who you're paying for the hardware) are usually separate contracts, often with different companies. A salesperson may present them together as one happy package, but they come apart in the worst way: you can switch processors and still owe every remaining lease payment.

That's why 'I'll just change processors' doesn't end a lease. The finance company behind the lease doesn't care who processes your cards. They care about the non-cancelable payment schedule you signed. Knowing they're separate is the first step to not being surprised.

! Get both contracts, read both contracts

Before you sign anything, ask for every document in the deal and read each one. If there's a lease hiding inside a 'free equipment' offer, it's a separate obligation with its own term and its own teeth. Don't let them be bundled past you.

Reading a lease before you sign

If you're ever handed a lease, five things decide whether it's a reasonable deal or a trap. Find each one before your pen touches paper.

- **The term:** how many months? 36 and 48 are common, and longer is worse.
- **Cancelable or not:** look for 'non-cancelable.' If it's there, you owe the full term no matter what.
- **Personal guarantee:** is your own name backing it, beyond the business?
- **The total cost:** monthly payment times the number of months. Compare that to buying the same hardware.
- **The end:** do you own it at term's end, owe a buyout, or hand it back? And does it auto-renew if you don't cancel?

Do that multiplication — monthly payment times months — and write the total next to the hardware's purchase price. Seeing the two numbers side by side is usually all the argument you need.

★ I'll do the multiplication with you

Bring me the lease and we'll find all five of these together and work out the real total cost. For the legal fine points of signing or exiting, I'll point you to an attorney — but I can make the numbers plain. Call (330) 200-8042.

What to do if you're already leased

Maybe you're reading this a little late and the terminal's already on your counter. Don't panic — but do get organized. Here's the order of operations.

- **Find the lease paperwork.** You can't plan an exit from a contract you can't read. Dig it out first.
- **Identify the finance company.** It may not be your processor. Note who you actually pay.
- **Find the term, the end date, and the buyout.** How many payments are left, and what would ending it cost?
- **Check for auto-renewal.** Many leases renew automatically unless you cancel in a specific window — mark that date now.
- **Talk to an attorney before you act.** Leases are legal contracts; an attorney can tell you your real options.

Sometimes the best move is simply to ride out a short remaining term and never lease again. Sometimes a buyout makes sense. Sometimes there's room to negotiate. You can't know which until you've read the contract and gotten real advice.

! Mind the auto-renewal date

The cruelest clause is the auto-renewal: miss a narrow cancellation window and the lease rolls over for another full term. If yours has one, put the cancellation window on your calendar today, with a reminder a month ahead.

Two kinds of small business, two setups

Whether a lease is even a temptation depends on how you sell. The pitch lands differently on a storefront owner than on a vendor working a market from a folding table.

If you sell from a fixed counter or shop

You run a fixed counter, so you're the one banks and resellers love to pitch a 'free' countertop terminal with a multi-year processing contract. That's exactly the setup where a lease and lock-in hide most easily — so read every document before you sign.

- Expect 'free terminal' offers from banks and resellers — ask what pays for it, every time.
- A countertop station from Square, Clover, or Shopify can be bought outright; prefer that to a lease.
- If a bank's Clover deal includes a lease, weigh the full term cost against buying (see our choosing-a-system guide).
- Owning your counter hardware keeps you free to switch processors if the rate creeps up.

If you sell on the go — markets, trucks, house calls

You sell from a booth, a truck, or a customer's living room, so you need light, cheap, portable gear — which is the best possible reason to buy, not lease. A pocket reader you own outright is a few dollars and travels in a tote.

- A pocket reader from Square or Shopify is inexpensive to own — no lease belongs anywhere near it.
- An all-in-one handheld you buy outright beats a leased one you'll pay for long after the season ends.
- Owning cheap gear means a lost or broken reader is a small, replaceable cost, not a contract problem.
- Avoid any 'free handheld' offer that locks you to one processor — see our card-readers guide for what to buy.

★ Being pitched a 'free' terminal right now?

If a bank or a sales rep is offering you free equipment this week, that's the perfect moment to call me before you sign. Tell me what's in the offer and I'll help you find the string. (330) 200-8042.

Locked hardware — the other half of the trap

Even setting aside the money, a leased or subsidized terminal often comes with a quieter chain: it's programmed for one processor and won't easily serve another.

When a terminal is provided by a processor, it's typically locked to their network. You can't just carry it to a new processor and have them flip a switch — the hardware may need reprogramming the old processor won't help with, or it may not be reprogrammable at all. That friction is deliberate; it makes leaving feel harder than it should be.

Hardware you buy outright from an open platform is far freer. The point isn't that any one brand is best — it's that owning unlocked gear keeps your choices open. When the hardware is yours and portable, the processor has to keep earning your business.

✓ Ownership is leverage

The ability to walk away is what keeps a provider honest for years. A terminal you own and can use elsewhere is quiet leverage every time your rate comes up for discussion. A locked, leased one is leverage pointed the other way.

Red flags when someone's selling you equipment

Most lease traps announce themselves if you know the signs. Here are the ones that should make you slow down.

- **'It's free — just sign here.'** Free hardware plus a rushed signature is the classic setup.
- **A separate finance-company document** slipped in with the processing paperwork.
- **A long term** — 36 or 48 months — for a small terminal that costs little to buy.
- **'Non-cancelable'** or a **personal guarantee** anywhere in the lease.
- **Reluctance to let you take it home to read**, or pressure to decide today.

Any one of these is a reason to pause. Two or more together, and you should walk unless you've had an attorney read every page. A deal that's good for you will still be good tomorrow, after you've read it.

! Pressure is the loudest red flag

The honest deals don't need a rushed signature. If someone insists you sign today, won't let you take the paperwork home, or gets impatient at your questions, that urgency is a tell. Nothing about a multi-year commitment should be rushed.

Is there a lease hiding on my statement?

If you're not sure whether you're leasing, your own statements will tell you. Here's how to check in a few minutes.

Look on your processing statement, and on your bank statement, for a steady monthly equipment charge — often a round number that never changes and sometimes shows a company name you don't recognize as your processor. That recurring, unchanging charge is the signature of a lease. Our statement-reading guide walks through finding fees like this line by line.

If you find one, don't assume it's small enough to ignore. Multiply it by the months likely left on the term and you'll see the real commitment. Then go find the lease paperwork and work through the steps from the 'already leased' page.

★ Not sure what you're paying for?

If there's a monthly charge on your statement you can't explain, send me a photo and I'll help you figure out whether it's a lease, who it's with, and what it's costing you over its term. Call or text (330) 200-8042.

When to bring in an attorney

I'm a tech helper, not a lawyer, and leases are legal contracts. Here's where I hand you off to someone who can give real legal advice.

If you're trying to get out of a lease early, facing a personal guarantee, dealing with a finance company that's turned unfriendly, or weighing a buyout against riding out the term, those are legal questions with real money attached. An attorney can read your specific contract, tell you your actual obligations, and often spot options you can't see yourself.

A short consultation with a local business attorney is cheap insurance against a multi-year, personally guaranteed mistake. Bring the full lease and any related processing agreement. For the tax side of writing off equipment, your CPA is the right call.

✓ I'll get you ready for that visit

What I can do is help you gather every document, lay out the term and numbers plainly, and write down your questions, so your time with the attorney is short and productive. Think of me as the person who gets the paperwork organized before the pro reads it.

Buying your hardware the smart way

If the lesson is 'buy, don't lease,' let's make buying easy. You don't need the fanciest device — you need the right one, owned outright.

Figure out what you actually need first: a pocket reader for taps and dips, an all-in-one handheld, or a countertop station. Our card-readers-and-terminals guide matches each shape to a counter, a truck, or a table. Then buy it directly from the processor or an authorized seller, so it's genuinely yours and tied to an account you control.

As of late 2026, the small readers are inexpensive and the handhelds and stations cost more but are still a one-time purchase you own. Confirm current prices on the company's own site. Whatever you spend, you spend once — and you keep the freedom to switch processors later.

✓ Buy from the source

Buy your reader from the processor's own store or a clearly authorized seller, not a mystery third party, so it registers cleanly to your account and isn't locked or secondhand-locked to someone else. A cheap reader bought wrong can be as stuck as a leased one.

A checklist before you sign anything

Tape this to the counter for the day a salesperson shows up. Run every box before your pen moves.

- ☐ I have every document in the deal in my hands — including any separate equipment or finance paperwork.
- ☐ I've read whether there's a lease, and if so its term, total cost, and whether it's non-cancelable.
- ☐ I've checked for a personal guarantee with my own name on it.
- ☐ I know whether the hardware is locked to this processor or something I can use elsewhere.
- ☐ I've compared the lease's total cost to simply buying the same hardware.
- ☐ I've taken the paperwork home to read, and nobody rushed me to sign today.

! An unchecked box is a stop sign

If you can't honestly check every box, don't sign. There is no card deal so good it expires tonight, and anyone telling you otherwise is counting on the unchecked boxes. Walk away and read first.

Common mistakes people make

A few predictable slip-ups put owners into leases they regret. Now you'll see them coming.

- **Taking the 'free' terminal** without asking what pays for it — a rate, a contract, or a lease.
- **Signing the lease bundled with the processing deal** without realizing they're two separate obligations.
- **Missing the personal guarantee** and the word 'non-cancelable' in the fine print.
- **Assuming switching processors ends the lease** — it doesn't; the finance company still bills you.
- **Letting the auto-renewal roll over** by missing a narrow cancellation window.

! The dearest mistake

The single most expensive payment mistake I see isn't a half-percent on a rate — it's a multi-year, personally guaranteed lease signed without reading. If this guide spares you that, it's done its job. Read before you sign, every time.

The lease math, laid out plainly

No invented dollars — just the arithmetic, so you can run it on any lease you're handed.

Take the monthly lease payment and multiply it by the number of months in the term. That's the total you'll pay to rent the terminal. Now find what the same hardware costs to buy outright — the processor's own store lists it. Write the two numbers side by side.

In nearly every small-business case, the lease total dwarfs the purchase price, often several times over, and at the end you may still not own the machine. Add any buyout at the end to make the comparison honest. Seeing those numbers together is usually the whole decision — and it's why our what-card-processing-really-costs guide folds the lease into your effective rate.

★ Bring the lease, I'll bring the calculator

This is a five-minute exercise that can save you thousands. Bring me a lease quote or an existing lease and we'll run the multiplication and compare it to buying. Call or text (330) 200-8042 — nothing to sell you, ever.

What to say when a rep pushes back

Salespeople have practiced answers for owners who hesitate. Here are plain replies that keep you in control without being rude.

Q: 'Everybody leases their terminal — it's standard.'

'Maybe, but I'd rather own mine. Can you quote me the same setup with the hardware purchased outright?' A fair processor can.

Q: 'The terminal's free, so there's nothing to read.'

'If it's free, you won't mind me taking the full paperwork home to read first.' Watch whether the 'free' offer survives that.

Q: 'This rate is only good if you sign today.'

'Then it isn't the rate for me. I don't sign multi-year paperwork the same day I see it.' Urgency is a tactic, not a deadline.

Q: 'You can just cancel later if it doesn't work out.'

'Then show me the cancellation terms in writing.' If it's non-cancelable, this is where that comes to light.

✓ Polite and immovable

You don't have to be confrontational — just calm and consistent. 'I read everything before I sign, and I don't sign the same day' is a complete, reasonable position. A rep worth working with will respect it.

Setting honest expectations

A little perspective, so you neither panic over a lease nor shrug one off.

If you avoid leases entirely by buying your hardware, you've sidestepped this whole chapter — that's the happy path, and it's available to almost every small seller. If you're already in a lease, it's a solvable problem, not a catastrophe: read it, get advice, and plan your exit or your ride-out calmly.

And if you ever do sign a lease knowingly — for genuinely expensive, financed restaurant or retail gear where it's the real plan — that's your call to make with eyes open. The sin was never leasing on purpose; it's leasing by accident because nobody read the paperwork.

✓ Eyes open beats rate-chasing

A fair rate on a terminal you own beats a shiny rate on one you're trapped renting. Chase ownership and clear terms first; the fraction of a percent comes second. That order keeps owners out of trouble.

Common Questions

The questions I hear most from owners weighing a terminal offer or untangling a lease, answered plainly.

Q: Is leasing a terminal ever a good idea?

Rarely for a small shop. For a normal reader or handheld, buying outright wins almost every time. A lease might make sense only for expensive, specialized gear where financing is genuinely the plan — and even then, know the term and exit.

Q: The terminal is free — isn't that a good deal?

Usually not. 'Free' is paid back through a higher rate, a longer contract, or a separate lease, and the hardware is often locked to that processor. Ask what pays for it, and prefer a cheap reader you own.

Q: Can I get out of a lease I already signed?

Maybe, but it's often hard — many are non-cancelable and personally guaranteed. Read the lease for the term, buyout, and auto-renewal, then talk to a business attorney about your real options before you act.

Q: If I switch processors, does my lease end?

No. The lease is usually a separate contract with a finance company, so switching processors leaves the lease — and its payments — fully in place. That surprise traps a lot of owners.

Q: What should I buy instead of leasing?

Match the hardware to how you sell — a pocket reader, a handheld, or a countertop station — and buy it outright from the processor or an authorized seller. Our card-readers guide walks through the choices.

★ Caught in a lease, or about to sign one?

Either way, this is exactly the kind of thing to call me about before you act. I'll help you read the paperwork and lay out the numbers, and point you to an attorney for the legal exit. Call or text (330) 200-8042 — no processing to sell, no commission, ever.

You don't have to figure this out alone

You just have to remember that a friendly, patient person who speaks plain English is one call away.

I hope this guide made terminal leases and equipment contracts feel a little less daunting and a lot more doable. Keep it with your other business papers, come back to a page whenever you need it, and don't feel you have to memorize a thing.

When you'd rather have a hand, that's exactly what I do. I come to your shop or your kitchen table, work at your pace, and never make you feel rushed or silly for asking. A first visit is a flat \$99, and for the parts that don't need me on-site I can often help right on your screen for \$49. Every visit comes with a 30-day, come-back-free guarantee. I don't sell payment processing and I earn no commission from any company — so the advice you get is just honest advice. For the tax and legal fine points, I'll point you to your accountant or attorney.

★ Bill's Home Tech — real help, close to home

Call or text me at (330) 200-8042, or visit BillsHomeTech.com. Serving Atwater and all of Portage County. 30+ years of patient, plain-English tech help — and if you're ever not 100% happy with a visit, I'll make it right or refund it. That's a promise. — Bill

Lease vs. Buy Your Terminal

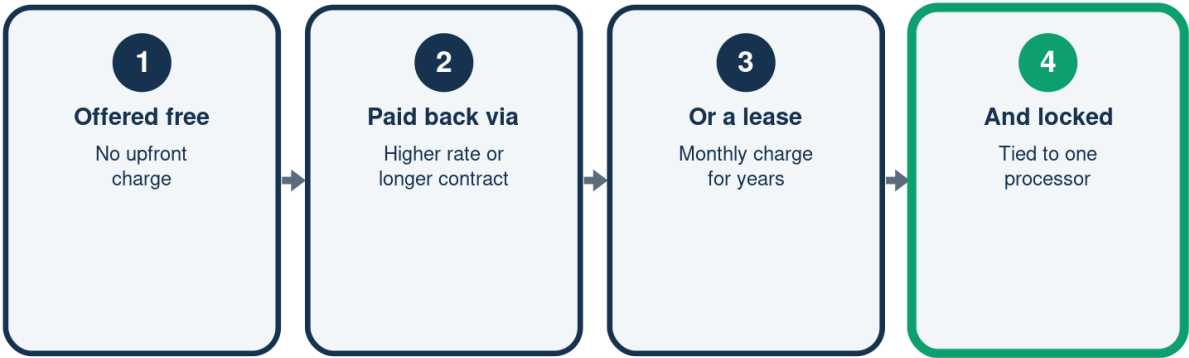
For a normal reader, it isn't close

	Lease it	Buy it
Pay	Monthly for years	Once, done
Cancel	Often can't	No obligation
Your name on it	Often guaranteed	No guarantee
Switch later	Locked in	Free to move
Total cost	Many times price	The price

Confirm current hardware prices on the company's own site.

Where a 'Free' Terminal's Cost Hides

The machine was never the product



Ask what pays for 'free' -- a fair rep will tell you.

Five Things to Find in a Lease

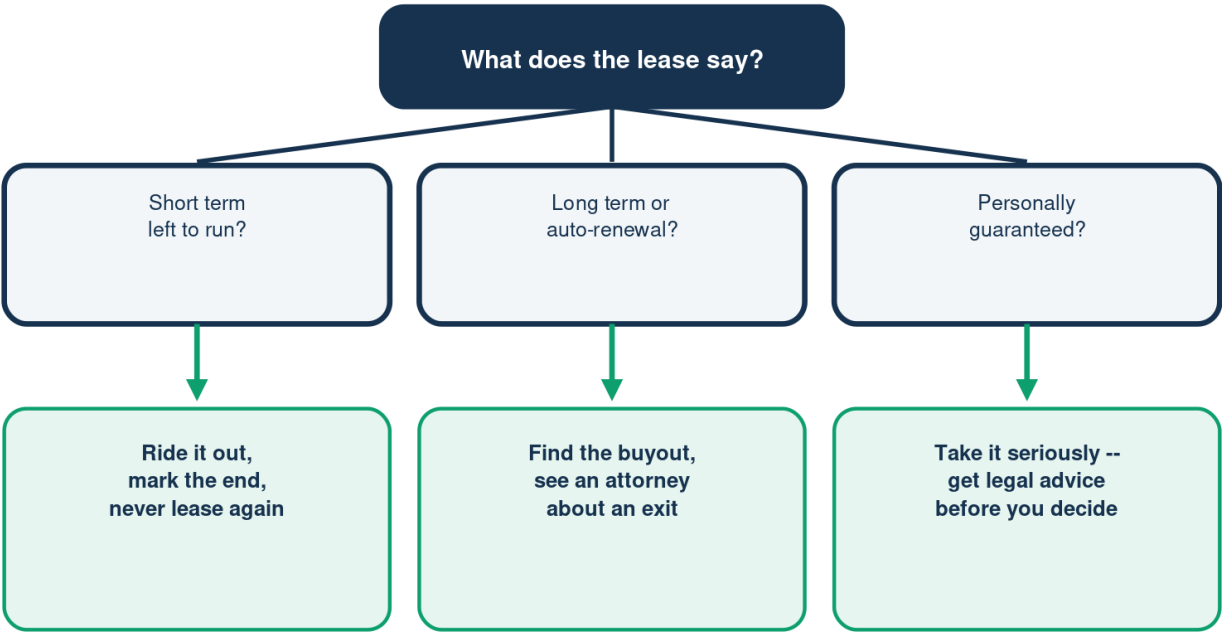
Check every one before you sign

Why it matters	
The term	36-48 mo is long
Non-cancelable	You owe it all
Personal guaranty	Your name backs it
Total cost	Payment x months
The end	Buyout? Auto-renew?

Can't check all five with confidence? Don't sign -- read first.

Already in a Lease -- Now What?

Get organized before you act



Leases are legal contracts -- have an attorney read yours before acting.

Illustration - a schematic, not to scale. Your setup may differ.



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A Note From Bill

A quick note from Bill.

I write these guides to make home tech a little less frustrating, and I do my best to keep every step accurate and up to date. Still, every home, device, and setup is a bit different, so I can't promise a guide will match yours exactly or fix your particular problem. These guides are for general information only — they're not professional, legal, or financial advice, and they don't replace your device's own manual or the manufacturer's instructions. Please go slow, use your own good judgment, and use everything here at your own risk. If a step involves electrical wiring, a gas appliance, a water heater, plumbing, or climbing a ladder — or if anything just doesn't feel safe — please stop and call a licensed professional (or give me a call at 330-200-8042). Bill's Home Tech and Bill Davis can't be responsible for any damage, data loss, or injury that comes from using these guides. Thanks for reading, and stay safe out there.

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