

Watch for Credit Card Surcharges



As of January 27, 2013, merchants can pass along their payment processing costs to consumers who choose to pay with either a VISA or MasterCard credit card. This is the result of a court settlement between retailers and the credit card industry.

If a merchant decides to adopt this surcharge or “checkout fee”, consumers could see the purchase amount during a transaction increase up to as much as 4.00%. For example, a \$100 purchase could end up being a \$104 purchase for using a credit card instead of paying with cash, check or debit card.

However, merchants are required to clearly disclose the credit card surcharge! Watch for notices at store entrances and at the point of sale. If shopping online, look for the notice on the merchant’s home page. The merchant must also disclose the surcharge at the checkout screen online.

The disclosure must include the fact that the fee is being charged, the amount of the surcharge, and that the fee does not exceed the merchant’s cost to accept credit cards. The dollar amount of the surcharge must also appear on the transaction receipt.

The following are some frequently asked questions regarding the new surcharge:

What is a credit card surcharge?

An additional fee that a merchant (retailer) adds to your purchase when you use a CREDIT CARD for payment.

How will I know if the merchant is going to surcharge my credit card?

Look for signs or postings at the store entrance and the point of sale warning of merchant’s fee. Carefully review your receipt; merchants are required to disclose the actual dollar amount of the surcharge.

How much can the merchant charge?

They cannot charge any more than the applicable merchant discount rate for the credit card transaction. The rates are generally between 1.5% to 3%, but not higher than 4%.

Can I be surcharged if I press the “credit button” while using my debit or prepaid card?

No. Regardless of how your debit or prepaid card is processed at the point of sale, surcharging is NOT permitted.

Will all merchants begin charging me for my credit card?

No, merchants can choose to charge or not. There are 10 states that have laws restricting merchants from surcharging on credit cards: California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas.

What do I do if the merchant is charging over 4% on my credit card or charging for my debit or prepaid card?

To report excessive payment surcharges, or surcharging debit and prepaid card transactions, you can visit www.visa.com/checkoutfees and fill out the Report a Merchant Violation form.

If I shop online, how will I know if I am being surcharged?

As with any other type of store, the online stores are required to disclose if they will be imposing the credit card surcharge.

Where can I get more information about payment card surcharging?

For more information, visit www.visa.com/checkoutfees.