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## Credit Card Surcharges – FAQ for Cardholders

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### **Q. What is a payment card surcharge?**

A payment card surcharge, also known as a checkout fee, is an additional fee that a merchant adds to a consumer's bill when he or she uses a card for payment.

### **Q. Can merchants add a surcharge to card transactions?**

As a result of a legal settlement to resolve claims brought by a group of U.S. merchants, merchants in the U.S. and U.S. territories may add a surcharge to certain credit card transactions, starting January 27, 2013.

U.S. merchants that surcharge are required, among other things, to:

- **Limit** surcharging to credit cards only (no surcharging debit and prepaid cards) and limit the amount of the surcharge to the applicable merchant discount rate for the credit card transaction surcharged\*.
- **Disclose** the actual dollar amount of the surcharge on every receipt and disclose the fact that the merchant assesses a surcharge at the point of store entry and at the point of sale.

Merchants should also consider whether they comply with all applicable state or federal laws. Currently, 10 U.S. states have surcharging restrictions including California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas.

### **Q. How do consumers spot checkout fees?**

Consumers should look for signs or postings at the store entry point and the point of sale warning them of the merchant's fee. Consumers should also carefully review their receipts, where merchants are required to disclose the actual dollar amount of the surcharge.

### **Q. How do consumers report merchants that are charging excessive checkout fees or checkout fees on debit and prepaid card transactions?**

To report merchants charging excessive payment card surcharges, or surcharging debit and prepaid card transactions, consumers may visit [www.visa.com/checkoutfees](http://www.visa.com/checkoutfees) and fill out the Report a Merchant Violation form. Alleged surcharging violations will be investigated.

Currently, 10 U.S. states have surcharging restrictions including California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas. Consumers who are subjected to checkout fees in states where those fees are prohibited by law may want to discuss this with the retailer or report the retailer to their state attorney general's office.

### **Q. Can cardholders be surcharged on both credit and debit card transactions?**

No. Surcharging may only be applied to credit card transactions, and only under certain conditions. U.S. merchants cannot surcharge debit or prepaid card transactions.

### **Q. Can cardholders be surcharged if they press the "credit button" while using a debit or prepaid card?**

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

**Q. Are there limits to the amount a merchant is able to surcharge?**

Yes. U.S. merchants may assess a surcharge on a credit card transaction that does not exceed their applicable merchant discount rate for the credit card transaction surcharged\*.

**Q. Do merchants have to disclose the surcharge to their customers?**

Yes. U.S. merchants that surcharge must disclose the actual dollar amount on every receipt and disclose the fact that they assess a surcharge at the point of store entry and at the point of sale.

**Q. What laws may be related to merchant surcharging?**

Currently, 10 U.S. states have surcharging restrictions including California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas. Consumers who are assessed surcharges in these states may want to discuss this with the retailer or report the retailer to their state attorney general's office.

**Q. Can cardholders be surcharged on credit card transactions around the world?**

This legal settlement allows the surcharging of credit cards transactions in the U.S. and U.S. territories only, under certain conditions. Surcharging remains prohibited outside the U.S. and U.S. territories unless there is a local law or variance that requires merchants to be permitted to engage in the practice.

**Q. Where can I get more information about payment card surcharging?**

For more information, consumers should visit [www.visa.com/checkoutfees](http://www.visa.com/checkoutfees).

\* In cases where the applicable merchant discount rate exceeds 4% of the underlying transaction amount, in no event can the merchant assess a surcharge above 4%.