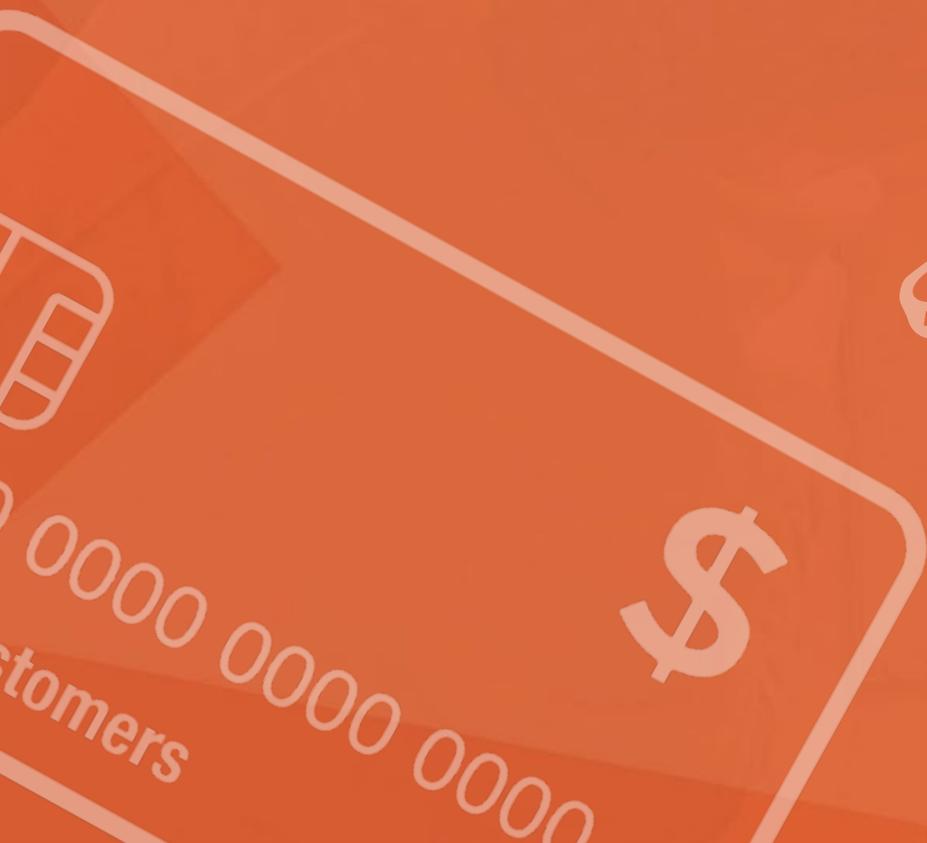


# A GUIDE TO CREDIT CARD SURCHARGING

(WITHOUT BREAKING  
THE RULES)



# WHAT IS SURCHARGING?

Merchants who accept credit card payments pay a **processing fee** every time a transaction is taken. Surcharging allows some of these merchants to pass the cost of those fees along to their customers.

But is it legal?

Yes and no. Some states don't allow it at all.

And in the states that do allow surcharging there are some very strict rules to follow.

Breaking these rules can result in hefty penalties (**Mastercard will fine you \$20,000 for the FIRST offense**) ... and it could result in a complete suspension of your merchant credit card processing account.



## PROS

You can potentially recoup all of your processing fees

Some customers or clients are happy to pay surcharge fees

## CONS

It is not legal in all states

There are strict rules to follow, or you risk steep penalties from credit card companies

Some clients are very opposed to surcharge fees

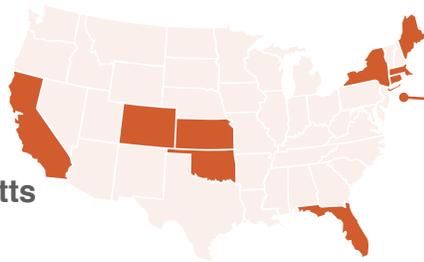
## IS SURCHARGING RIGHT FOR YOUR BUSINESS ... ?

Decision Tree:

# SHOULD YOU SURCHARGE?

➤ DO YOU OPERATE IN:

- California
- Colorado
- Connecticut
- Florida
- Kansas
- Maine
- Massachusetts
- New York
- Oklahoma?



Yes



Surcharging is **NOT LEGAL** in these 9 States. It is best to pursue **fee reduction tactics** instead.

No

No

ARE YOU IN A PRICE-COMPETITIVE INDUSTRY OR MARKET?



Yes



Your customers may view surcharging as a price increase, driving them to competitors. It is best to pursue **fee reduction tactics** instead.



ARE YOUR COMPETITORS SURCHARGING?

No

Yes



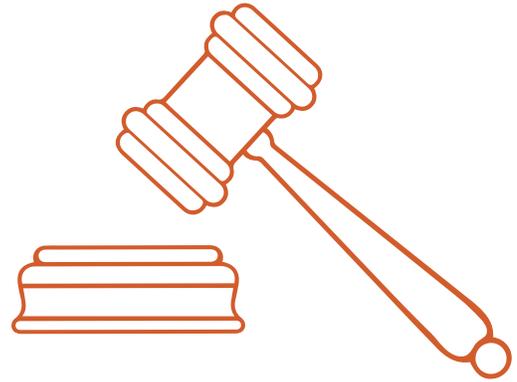
**PROCEED WITH CAUTION**



This could indicate that your customers are opposed to surcharging.

# THE RULES OF SURCHARGING

1. **NOT LEGAL** in: California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma
2. Must provide 30 days notice to each card brand
3. Surcharge amount cannot exceed the merchant's processing fees
4. The maximum surcharge amount is 4%
5. Surcharge must be consistent across all card brands (without singling-out any of them)
6. Merchant must display signage clearly disclosing the surcharge policy
7. Surcharge fees must be clearly identified on the receipt, and must be assessed PRIOR to the sales tax being included
8. Not permitted on debit or prepaid cards
9. A refunded transaction must include all or part of the surcharged amount
10. Cannot be assessed alongside convenience fees or service fees



## Alternative Solutions

If surcharging is not legal in your state, or if you worry about your customers objecting to the surcharge, we recommend a **Merchant Account Audit to lower your overall fees significantly. This is done without switching processors or changing your customer experience.**

## Disclaimer

The rules and regulations regarding credit card surcharging are complex, and subject to change. **Please consult your own legal council before implementing.**

**Questions? Contact Verisave:  
hello@verisave.com**