Article Side

Surcharges on Credit Card Transactions by Vision Payments

Article published on January 18th 2012 | Finance

Vision Payment Solutions understands that doing business is a daily challenge, that, as a merchant, you have responsibilities that might drive others to insanity â€“ dealing with unsatisfied customers, keeping everything stocked, and overseeing those who work for you to ensure all your consumers are well taken care of and pleased when they walk out the door. After all, keeping your supporters happy is the best long-term goal you could have, as customer loyalty is crucial in these tough economic times. Todayâ€™s topic is the surcharge issue â€“ something a lot of merchants havenâ€™t bee happy about, but something to nonetheless understand. Surcharges can amount to big trouble, so itâ€™s important to avoid processing fees for credit cards altogether.

Have you ever posted a sign in your shop or store informing the customer of a minimum amount for a credit card transactions Processing, claiming youâ€™ll charge a fee for processing the card if itâ€™s und a certain bracket of prices? Call it what you will (surcharge, convenience fee, credit card acceptance fee or checkout fee), neither Visa nor MasterCard allow retailers to charge an additional fee on top of a credit card transaction.

MasterCardâ€™s official documentation states that you â€œmust not directly or indirectly require any Cardholder to pay a surcharge in connection with a transactionâ€• (Charges to Cardholders, to date: this document is regularly changed, and so pages and paragraphs keep taking new form). Additionally, their documentation also holds that â€œMasterCard rules specifically prohibit merchants from adding a fee for acceptance of MasterCard cards; This is considered surcharging.â€•

The Visa officials are mirroring their appraisal of the situation: â€œVisa rules do not allow retailers to charge cardholders a checkout fee for using their cardsâ€• and, furthermore, advising card-holders to â€œreport retailers that are charging checkout fees.â€•

Both Visa and MasterCard stay well within politically correct boundaries, as they base their rules on discrimination laws, and surcharging a shopper paying with a credit card is, in a sense, discrimination based on type of payment. Several states in the U.S. have accepted the associationsâ€™ ruling, and outlawed surcharges on credit card payments. These states are: California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma & Texas.

So what does this mean? Do the associations and state regulators expect retailers to finance processing fees out of their own pockets? Merchants should embed their processing fees in their final prices and therefore should not be allowed to offer discounts for cash and check purchases, as well as for PIN debit cards, as long as such offers are made to all buyers.

We sincerely hope this matter was clarified for you in this blog, but should you have any questions on surcharges, simply call us any time at the number above. Friendly representatives are standing by!

Vision Payments - About Author:

George Williams is an experienced, fast-growing merchant account service provider, and provides a [credit card payment processing](#) and a [credit card processing services](#) services.

Article Keywords:
credit card processing services,mobile credit card processing,ecommerce credit card processing,virtual credit card processing,credit card processing systems.