

Merchant Surcharge Program

Help reduce merchant credit card transaction expenses

Consumers are paying by credit card more than ever, which means higher processing costs for merchants. What if you could offer your business users a streamlined way to offset credit card processing costs? The Merchant Surcharge Program provides a helping hand by enabling merchants to add a percentage fee to consumers' credit card transactions to help reduce credit card transaction expenses.

Implementing this practice can help merchants recover credit card expenses by applying a flexible 1.0% to 3.0% fee (paid by the end consumer) to eligible credit card transactions, which is itemized on customer receipts.

Available for eligible Visa®, Mastercard®, Discover® and American Express® Opt Blue card-present and card-not-present transactions. Debit cards and prepaid cards are not eligible, as only credit card transactions apply.



Key benefits

The Merchant Surcharge Program is designed to help merchants recover and reduce credit card transaction expenses.

- Offer the convenience of credit card payment acceptance without the added cost
- Available for card-present and card-not-present transactions
- Minimal development work to seamlessly integrate with your software
- Simple, flat-rate pricing means more revenue opportunities



Is surcharging right for the merchants you service?

The Merchant Surcharge Program is an optional, value-added feature. Every business is unique, and the decision to implement this may vary depending on a variety of considerations and contributing factors, such as:

- The potential impact on customers' experience
- What competitors might be doing
- What information must be disclosed to customers and how
- The cost of credit cards and other forms of payment

Important considerations

The Merchant Surcharge Program is only available to qualifying merchants enrolled in a Merchant Services account and processing on the FD North backend platform. Additional eligibility and adherence to card brand guidelines apply.*

- A flexible 1.0% to 3.0% surcharge fee will apply to eligible credit card transactions, including recurring payments. Debit cards and prepaid cards are not eligible
- Credit card surcharging is regulated and prohibited in certain locations. We do not offer the Merchant Surcharge Program in Connecticut, Massachusetts, Puerto Rico, Armed Forces or Canada
- Merchants are responsible for creating and displaying clear and prominent disclosure of the surcharge rate at all points of customer interface, including point of entry and point of sale

In many cases, the potential of significant savings for merchants outweighs the complexity associated with surcharging.

Frequently asked questions (FAQs)

What are my responsibilities as a business, if I want to implement a surcharge fee?

As a business, you're required to clearly and prominently display the surcharge rate at the point of sale (POS) and point of entry, notifying all customers that this fee will be applied if they pay by credit card. You are responsible for creating your own signage that complies with surcharging requirements by the Card Brand rules and any relevant state laws. Some states may have additional requirements. The below is suggested language for signage based on Card Brand rules:*

When you pay with a credit card, we impose a surcharge of X%, which is not greater than our cost of acceptance. The adjustment will appear on your receipt. We do not surcharge debit cards. Any purchases made with a debit card or cash will not include a surcharge.

Please note: The percentage (X%) should reflect the chosen rate.

Are there other requirements?

Yes. The card brands and your state may have other requirements. You are responsible for complying with all Card Brand rules including those which apply to surcharging. By enrolling in the Merchant Surcharge Program, some of these requirements will be fulfilled on your behalf, including, but not limited to, notifying the Card Brands and registering your participation in the Merchant Surcharge Program with them, itemizing the surcharge on customer receipts, preventing surcharges on applicable debit and prepaid card transactions, and refunding surcharges on returns.

*There may be additional disclosure requirements related to surcharging depending on your type of business and where you are located. Please review the Card Brand rules and any state laws to determine what applies to your business. You are solely responsible for preparing disclosures that comply with applicable laws.

Is surcharging the same as a convenience fee?

No. A surcharge is a percent fee applied uniformly to eligible credit card transactions. Conversely, a convenience fee is a fee applied to alternative payment methods that is not standard for the merchant – for example, paying online when in-person payment is the standard payment method.

Can I surcharge and also apply a convenience fee or offer a cash discount?

No. Once you are part of the surcharge program, you can no longer charge a convenience fee, service fee or offer a cash discount.

Can I apply a surcharge only on selected transactions?

No. If you choose to assess a surcharge, a surcharge must be applied to all eligible credit card transactions.

Can I apply a different surcharge percentage for different transactions?

No. The same surcharge rate must be applied to all eligible credit card transactions.



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