

Interchange Settlement Update

Interchange Settlement Update – “Check-Out Fees”

Overview

- The card networks (Visa and MC) and bank issuers including Bank of America have reached a preliminary agreement on the interchange lawsuit filed by merchants. The lawsuit was brought in 2005 by merchant plaintiffs alleging that banks and card payment networks restricted competition on interchange rates.
- With the preliminary agreement, Beginning Jan 27, 2013, merchants will be able to add “checkout fees” (surcharge fees) for Visa & MasterCard credit card transactions per the terms of the settlement agreement. The terms apply to all Visa and MasterCard **credit** cards.
- Debit and Prepaid cards cannot be assessed “checkout fees”.
- 10 U.S. states have surcharging restrictions including California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas.

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.Merchants and Check-Out Fees

- Check-Out fees are being imposed solely at the merchant/supplier discretion.
- A merchant/supplier must disclose the check-out fee at the point of sale (or online check out screen). Also, merchants/suppliers are required to provide a separate line item on the receipt that shows the dollar amount of the fee. (example provided on next slide)
- Each merchant will determine how much the “checkout fee” will be if they decide to charge one, however, no merchant may charge more than 4% of the transaction amount. Merchants are required to disclose the amount of the surcharge before you make a purchase; look for signs at the store entrance and at the cash register or point of sale.
- U.S. Merchants that intend to surcharge must complete a notification form with Visa or MC 30 days in advance of charging the fee.

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Client Questions and Disputes

Clients can access information from Visa and MasterCard directly:

Follow the links below for [additional information](#):

- **Visa:** <http://usa.visa.com/download/merchants/surcharging-faq-by-merchants.pdf>
- **MasterCard:** <http://www.mastercard.us/merchants/support/surcharge-rules.html>

If a cardholder believes that a charge is questionable (they were charged more than 4% or the fee was not disclosed upfront), they should contact Visa or MasterCard. Follow the links below in order to [report a merchant violation](#):

Visa

Customer Assistance Center: 1-800-847-2911

Report a Merchant Violation Online Form: <https://usa.visa.com/checkoutfees/contact.jsp>

MasterCard

Assistance Center: 1-800-307-7309

Report a Merchant Violation Online Form: <http://www.mastercard.us/support/merchant-violations.html>

We impose a surcharge of \$ _____
on the total transaction amount on
Visa credit card products, which is not
greater than our cost of acceptance.
We do not surcharge Visa debit cards.

SUBTOTAL	100.00
SURCHARGE	2.00
TOTAL	102.00
=====	
AMOUNT TENDERED	
MSR	102.00
ACCT: ***** 1234	
EXP: *****	
APPROVAL: 999999	
CARDHOLDER: JANE SMITH	
TOTAL PAYMENT	102.00