

# CREDIT & DEBIT CARD SURCHARGES

## Consumer Alert

Starting in 2013, merchants in Michigan could charge customers extra if they use a credit card. Called surcharges, retailers may—but are not required to—charge for processing a credit card transaction. How much a merchant may charge depends on the terms of the merchant’s agreement with its credit card processor.

The typical cost of processing credit card transactions is between 1.5 and 3%. And most MasterCard and Visa agreements limit surcharges to the actual costs of processing the credit card transaction or 4%, whichever is less. But your merchant may charge more or less, depending on the specific terms of its credit card merchant contract.

Although surcharging is now permitted by credit card merchant contracts, retailers must continue to abide by state laws that prohibit or restrict credit card surcharges. Michigan does not have any such law.

Previously, Visa and MasterCard had prohibited merchants from imposing a surcharge on credit card purchases. A class action lawsuit brought by retailers against Visa, MasterCard, and a number of big banks eliminated this ban.

The terms of that class action settlement, as well as the terms of MasterCard and Visa Merchant agreements, do not allow surcharges on debit or pre-paid card transactions. However, merchants can (and do) offer discounts for cash payments.

The settlement also provides that merchants do not have to accept a MasterCard or Visa credit card simply because they accept MasterCard or Visa debit cards.



### **SPOT IT:** Surcharge Required Disclosures

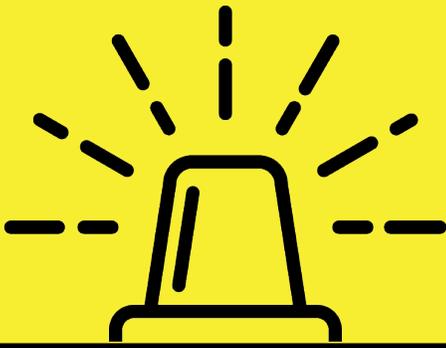
- Brick and mortar sellers who choose to impose a surcharge must post a notice at the store’s entrance and at the point of sale advising that a surcharge applies to purchases made with identified credit cards.
- Sales receipts must itemize the exact amount of the surcharge.
- Online sellers have to disclose that a surcharge will be imposed on the website page where credit cards are first mentioned.

### **STOP IT:** Report Violations

- You can report complaints or violations to the applicable credit card carrier online—[Visa](#); [Mastercard](#).

**Bill Schuette**  
Attorney General





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### Special Rules for Surcharges at Gas Stations

Beginning July 2017, Michigan law requires gas stations whose advertised motor fuel price is subject to one or more conditions (such as cash payment or a carwash purchase) to post those conditions on road signs next to the advertised fuel price, with equal illumination, in lettering of the same style and of at least ½ the size used to post the sale price.

### Additional Information

Consumers may contact the Attorney General's Consumer Protection Division at the contact information below.

### Michigan Department of Attorney General

Consumer Protection Division  
P.O. Box 30213  
Lansing, MI 48909  
517-373-1140  
Fax: 517-241-3771  
Toll free: 877-765-8388  
[Online complaint form](#)



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