

Surcharging Disclosure Requirements

United States & Canada

September 2025

CONFIDENTIAL

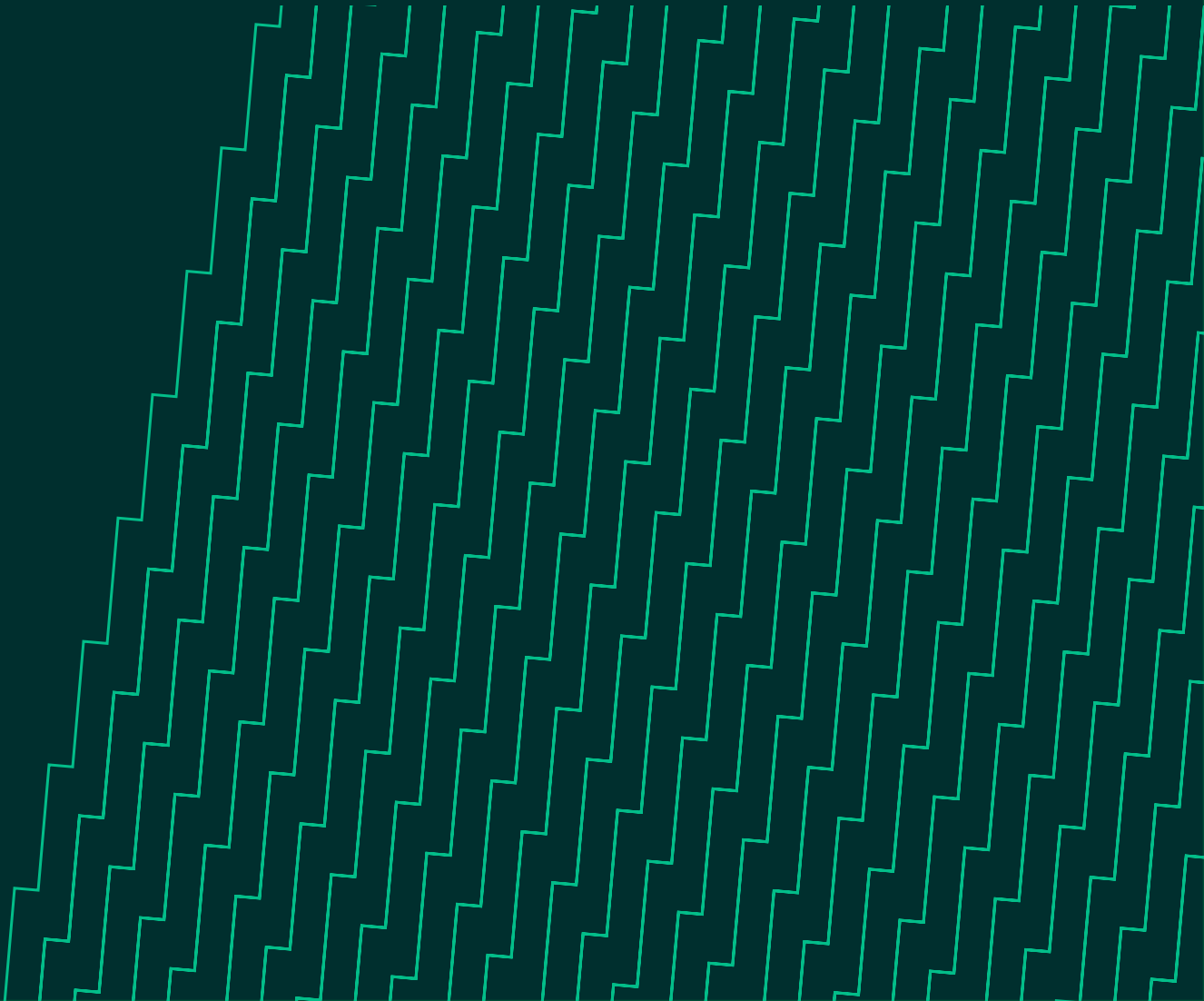


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Introduction

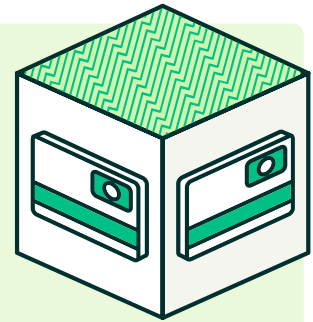
InterPayments requires surcharging merchants follow surcharge disclosure rules described here. Proper disclosures make surcharging a customer choice. They improve cash flow and speed up payment times by enhancing the customer payment experience. Additionally, card networks and states require these disclosures.

This document provides a single set of requirements that incorporate the evolving and nuanced states, provinces, and card network rules.

General

You must notify customers of your intent to surcharge credit card transactions. Any text you use needs to get three points across to your customer:

1. You as the merchant are charging this fee, not the credit card company
2. The fee is not more than the cost of accepting the customer's card
3. Customers can avoid the fee if they choose an alternative payment method, such as a debit card, ACH, check, etc.



No Surprises

As discussed below, different payment channels have specific disclosure types. The surcharge should never be a surprise and there must be alternative payment methods to avoid the surcharge. The merchant must clearly notify the customer of an impending surcharge during the purchasing process prior to the first time the customer sees the card brand logos.

Transparency

The surcharge amount must always be separately listed on a checkout page or receipt. Additionally, you must include the surcharge in the transaction total as one transaction; it's not collected separately. On a checkout page or receipt, most merchants list the surcharge as a "Transaction Fee" below the subtotal, shipping, and discounts, and sales taxes.

Refunds

When a transaction is refunded, the surcharge must also be refunded. The card brands require this to ensure you do not profit from a surcharge. In the case of a partial refund, the merchant should refund the prorated surcharge amount. This can be accomplished by using the percentage of the amount refunded to calculate the amount of the surcharge that is refunded. For example: if 75% of an order is refunded, then 75% of the surcharge also needs to be refunded.

Fairness

Card brands require "a level playing field"; this means a merchant must treat all credit card brands the same. A merchant may choose to waive or discount a surcharge but may not do so based on the card brand or card issuer. For example, it would be noncompliant for a merchant to choose to surcharge American Express cards but to not surcharge Visa cards based only on the card brand.

Surcharge as One Single Transaction, but Separate Line Item

The surcharge must be a separate line item on the customer receipt, like sales taxes or shipping charges. The surcharge fee receipt line item must be labeled with text. Examples of acceptable text:

- Credit Card Processing Fee
- Transaction Fee
- Credit Card Transaction Fee

The text for the line-item label must be the same size and font as the other text on the receipt.

Postal Code & Surcharging

InterPayments recommends the following:

- **Card Present transactions** will all be configured for surcharging based upon the location of the payment acceptance
- **Card Not Present transactions** will all be configured for surcharging based upon the cardholder's billing postal code

Explanation: In short, the place where the customer pays for the good/service is the point of interaction. Geographic surcharging determination refers to the "point of interaction" of the transaction per card brand rules. Additionally, the terms Card Present and Card Not Present are defined by the card brands. The point of interaction is summarized as:

- **Card Present transactions** are the location of the store where the card is accepted
 - **Card Present transactions** that are shipped to another location remain the location of the store where the card is accepted
 - **Card Not Present transactions** are all billing postal code
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Electronic Commerce Transactions

Surcharging Disclosure

The disclosure can be text anywhere in the checkout journey or a pop-up notice before accepting a payment method. The surcharge notice must be shown to the customer at or before the first time the card brand logos are shown.

Customers must always have the option to cancel a transaction before they see the surcharge notice disclosure text.

Visa requires text notices must be on or before the first page that references the credit card brands accepted, in a minimum 10-point Arial font, but in any case no smaller or less prominent than surrounding text.

Please note the requirements for New York and Oklahoma below, which are *in addition* to the other disclosure requirements outlined in this document.

Disclaimer: New York Disclosure Rules

New York effectively banned surcharging on February 11, 2024 when it enacted a new [surcharge law](#) with very specific disclosure requirements. The law applies to any seller who sells goods or services to New York residents. It requires sellers who desire to surcharge post two prices: one which includes the surcharge amount as the highest price a buyer will ever pay and another that is a “cash” price excluding the surcharge. The surcharge amount is limited to the exact cost of accepting the card.

It is extremely difficult for merchants to comply with the law. For invoice-based payments, it requires sellers create special invoices for New York buyers that lists two prices. For ecommerce-based transactions, sellers must have a separate listing of two prices for New York buyers. Even if merchants could operationalize the price disclosures, interchange-plus merchants cannot list the correct surcharge amount because the surcharge is based upon the card accepted.

As a result, InterPayments prohibits surcharges in New York **unless** merchants can demonstrate an ability to properly disclose two prices to customers. Please speak with your InterPayments representative for more information.

Disclaimer: Oklahoma Disclosure Rules

Oklahoma enacted a new [surcharge law](#) on November 1, 2025 with one unique disclosure requirement. The law applies to all sellers imposing a surcharge on Oklahoma transactions. In addition to capping surcharges at 2%, it requires sellers who desire to surcharge disclose in the following manner:

- **For Online (Card Not Present) Sales:** Surcharge notices must be displayed on the website's home page and at the final checkout or payment page. The disclosure has to be clear and conspicuous, but may be shown at the bottom of a home page if desired. The homepage notification requirement is unique to Oklahoma.
 - Template language for a website home page: *“We may apply a fee to cover all or part of our costs of accepting your credit card. For Oklahoma-based consumers, the fee will be 2%.”*
 - No additional language is required at the final checkout or payment page because it will disclose the surcharge amount to comply with other disclosure requirements.
- **For Phone (Card Not Present) Sales:** Merchants must verbally inform the customer of the surcharge amount before the transaction is completed. This includes Interactive Voice Response (IVR) transactions. This does not present challenges because it mimics other phone disclosure requirements.
- **For In-Person (Card Present) Sales:** Merchants must post clear and conspicuous surcharge notices at both the store entrance and at the point of sale. This does not present challenges because it mimics other in person disclosure requirements.

Complying with the homepage notice for online transactions will require most merchants to redesign web interfaces, as this type of up-front disclosure is not standard practice and is unique to Oklahoma. InterPayments by default prohibits OK-based surcharges and requires a merchant **opt in** by certifying with InterPayments that it can meet Oklahoma's homepage notification requirements.

Surcharge Amount/Percentage and Line-Item Notification or Description

United States: The cardholder must see the exact dollar amount OR percentage of the surcharge before authorizing payment. The surcharge amount must be listed as its own separate line item. InterPayments recommends providing only the exact dollar amount for US transactions.

Canada: The cardholder must see both (1) the exact dollar amount AND (2) percentage of the surcharge before authorizing payment. The surcharge amount must be listed as its own separate line item. The surcharge percentage must be listed in close proximity to the surcharge amount.

If you use the same payment interface for both US and Canadian transactions, you must display both the (1) the exact dollar amount AND (2) percentage of the surcharge before authorizing payment.

If a customer cannot cancel the transaction before the surcharge amount is known, you must display the surcharge disclosure text on or before the first page that displays either the (i) credit card logos or (ii) the payment card information.

Examples of Acceptable Descriptive Text for B2B and B2C

For B2B sellers:

- **Option 1 (Recommended):** *We may apply a fee to cover all or part of our costs of accepting your credit card.*
- **Option 2:** *Due to the increasing cost of credit card processing, we may apply a fee to cover all or part of our costs of accepting credit cards.*
- **Option 3:** *Due to the increasing cost of credit card processing, we may apply a fee to credit cards so we can maintain competitive prices for everyone.*

For B2C sellers:*

- **Option 1:** *To provide you the highest quality products at competitive prices, we may apply a fee to credit cards to cover all or part of our costs of accepting your credit card.*
- **Option 2:** *Due to the increasing cost of credit card processing, we may apply a fee to credit cards.*
- **Option 3:** *Due to the increasing cost of credit card processing, we may apply a fee to credit cards so we can maintain competitive prices for everyone.*

* If a Cardholder is given an explicit option to choose Debit or Credit and those options are separated by buttons, dropdowns, menus, etc., then the example text options above must also add: *No fees are applied to non-credit card payment methods.*

Optionally, InterPayments recommends the surcharge line item also have a description explaining to the customer what the fee is. Most merchants explain the fee using text placed above or below the payment fields, an asterisk referencing a footnote, or a tool tip that pops up text when the mouse is on the field.

Phone Payments

Agents taking payments over the phone or via chat windows should notify customers of an impending surcharge PRIOR TO accepting the payment method. The surcharge notification must happen early enough in the payment process that the customer always maintains the opportunity to cancel the transaction without a surcharge or penalty. US and Canada have slightly different verbal requirements as noted below.

Authorizing and Capturing Payment Simultaneously

This applies to scenarios where an agent is processing a payment at a customer's request.

Compliant Script for Customer Service Representative (CSR)

- **Step 1:** Determine amount to charge customer: {select invoices and amount}
- **Step 2:** Read surcharge disclosure PRIOR to accepting payment method: "Before I accept your form of payment, please note we may apply a fee to cover all or part of our costs of accepting credit cards."
- **Step 3:** Customer chooses their payment option.
- **Step 4:** Customer provides payment method:
 - United States: "Thank you. Your total amount is \${X}. Would you like me to authorize payment?"
 - Canada: "Thank you. Your total amount is \${X}. This is comprised of \${Y} order amount plus a \${Z} transaction fee. The transaction fee is {Z%} of your order amount. Would you like me to authorize payment?"
- **Step 5:** CSR authorizes payment and the transaction is complete.

Authorizing Card, but not Capturing Payment

This is the same process as authorizing and capturing a payment simultaneously (see above). It applies to scenarios where an agent is only authorizing a card for future payment capture.

Compliant Script for Customer Service Representative (CSR)

- **Step 1:** Determine amount to charge customer: {select invoices and amount}
- **Step 2:** Read surcharge disclosure PRIOR to accepting payment method: "Before I accept your form of payment, please note we may apply a fee to cover all or part of our costs of accepting credit cards."
- **Step 3:** Customer chooses their payment option.
- **Step 4:** Customer provides payment method:
 - United States: "Thank you. Your total amount is \${X}. Would you like me to authorize payment?"
 - Canada: "Thank you. Your total amount is \${X}. This is comprised of \${Y} order amount plus a \${Z} transaction fee. The transaction fee is {Z%} of your order amount. Would you like me to authorize payment?"
- **Step 5:** CSR authorizes payment and the transaction is complete.

Storing Card Information on File for Future Authorization or Capture

This applies to scenarios where an agent is only storing a customer's card on file for future authorization or capture. The card could be used for future one-off payments or future auto/recurring payments. The goal: ensuring the customer is aware that you may impose a surcharge on its credit card on a future payment.

Compliant Script for Customer Service Representative (CSR)

- **Step 1:** Customer requests CSR to store a card on file

- **Step 2:** Read surcharge disclosure PRIOR to accepting payment method: “Before I accept your form of payment, please note on future transactions we may apply a fee to cover all or part of our costs of accepting credit cards.”
 - **Step 3:** Customer approves adding their payment option to be stored on file and provides the card information.
 - **Step 4:** CSR confirms the payment method is stored on file. The interaction is complete.
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Recurring Billing

A merchant which has recurring billing models that automatically charge a card on file may begin adding surcharges to the recurring bill – but only after giving the customer sufficient notice. These requirements may delay your surcharge start date for auto/recurring billing customers.

New Customers or Customers Changing their Auto-Payments or Recurring Billing Terms

The normal disclosure rules that apply to a one-off transaction or initial purchase apply to a new auto/recurring payment. Those notices are sufficient notice that the subsequent billings will also include the surcharge fee.

Existing Customers on Auto-Payments or Recurring Billing Terms

You may surcharge existing customers that already have a card on file and have a current recurring billing model in place. However, **each of these customers needs to be notified individually at least 60- and 30-days in advance of the first surcharge imposed.** The notice template text provided below can serve as these 60- and 30-day notices. Posting a message on the company web site is not sufficient customer notice for a change of billing terms.

If you receive a bounce back or notice of incomplete receipt, you must resend the notice so that it is received by the customer.

Rationale: In the United States, state contract rules mandate merchants notify customers of changes to their contracts. Adding a surcharge to a recurring billing or autopay contract may be a change in contract. Some states require *at least* 60 days notice while others require less. To be conservative, InterPayments recommends merchants in both the United States AND Canada provide both a 60-day and a 30-day notice to autopay/recurring billing customers. It also creates a better, more transparent customer experience.

- The first notice needs to be sent to the customer at least 60 days prior to the change being implemented.
- The second notice needs to be sent to the customer at least 30 days prior to the change and at least 30 days after the first notice.

Note for clarification: New customers that sign up for recurring billing within the 60- and 30-day notice period must know you may impose a surcharge before they add the card information.

Example Notice: Existing Customer Autopay or Recurring Billing

The language for notification to your recurring payment customers is the same requirements you would have for any other change to billing procedure. For example, suppose you raise your monthly rate for recurring dues payments. Your customer has agreed to allow you to automatically bill his credit card for a particular amount. As such, it needs to be notified that the billing is going to change with sufficient time to make changes or cancel if he does not agree with the changes.

The information that must be included in the notice is:

- When the change will start
- What is changing
- How the change will impact the customer's billing

Example Notice for Both Existing Customer Auto/Recurring Billing and New Customers

MONTH DAY, YEAR NOTICE DATE

Dear Valued Customer,

For the past several years, [COMPANY NAME] has been absorbing all processing and transaction fees related to payments by credit card. Unfortunately, banks across the country continue to raise their credit card processing costs on merchants everywhere.

We do not want to raise our prices to accommodate these increases. Instead, effective MONTH DAY, YEAR, we will begin adding a credit card processing fee for payments made using any brand of credit card.

- You can always avoid the fee. If you want to avoid the fee, simply choose to pay by any other payment method, including debit card, e-check, ACH, wire transfer or cash (at your local location).
- You'll always be notified of a possible surcharge. [COMPANY NAME] will notify you of a possible surcharge prior to payment authorization for future one-off payments. This letter serves as notice for future auto/recurring payments.
- We'll never profit from the fee. The fee is not greater than our expenses associated with accepting credit card payments. By law, [COMPANY NAME] cannot profit from this fee.
- We abide by the rules. Where prohibited by state law, [COMPANY NAME] will waive the credit card processing fee.

We appreciate your partnership and look forward to continuing our successful relationship.

Thanks,

[COMPANY NAME]

Notice to Existing Customers in Advance of Surcharging

This is required if you intend to surcharge existing auto/recurring billing customers (see above).

This is an optional but recommended best practice for new surcharging merchants.

InterPayments recommends notifying your existing customers of your impending surcharge program at least 30 days in advance of the launch. This reduces surprises and ensures customers have time to create alternative payment methods if they want to avoid the surcharge. InterPayments will provide you the most updated template during your onboarding process.

Example Notice

MONTH DAY, YEAR NOTICE DATE

Dear Valued Customer,

For the past several years, [COMPANY NAME] has been absorbing all processing and transaction fees related to payments by credit card. Unfortunately, banks across the country continue to raise their credit card processing costs on merchants everywhere.

We do not want to raise our prices to accommodate these increases. Instead, effective MONTH DAY, YEAR, we will begin adding a credit card processing fee for payments made using any brand of credit card.

- You can always avoid the fee. If you want to avoid the fee, simply choose to pay by any other payment method, including debit card, e-check, ACH, wire transfer or cash (at your local location).
- You'll always be notified of a possible surcharge. [COMPANY NAME] will notify you of a possible surcharge prior to payment authorization for future one-off payments. This letter services as notice for future auto/recurring payments.
- We'll never profit from the fee. The fee is not greater than our expenses associated with accepting credit card payments. By law, [COMPANY NAME] cannot profit from this fee.
- We abide by the rules. Where prohibited by state law, [COMPANY NAME] will waive the credit card processing fee.

We appreciate your partnership and look forward to continuing our successful relationship.

Thanks,

[COMPANY NAME]

Physical Payments / Point of Sale (in person - card present)

Although InterPayments has required signage for you, you may create your own preferred signage so long as you maintain the basic requirements of size and message explained below. The purpose of your signage is to make sure your customer is never surprised to find the surcharge fee on their receipt.

The customer should be aware of the dollars and cents amount of the subtotal, the surcharge amount, and the transaction total including the surcharge prior to completing the transaction. This is similar to card not present payments described above. This is required by new recent state laws even though the customer has already been properly informed by the signage. Many states have anti-"Bait and Switch" laws and ensuring the customer is fully aware of the surcharge or total amount ensures you comply with the varying laws.

Two Forms of Signage

Visa and Mastercard require merchants display TWO signs notifying a surcharge:

- 1. At the entrance of the store:** Display a sign at the entrance to the business that says that credit card purchases will be subject to a surcharge by the Merchant. A sign must be posted at the Main entrance(s) of the Merchant Outlet, in a minimum 32-point Arial font, but in any case no smaller or less prominent than surrounding text.
- 2. At the checkout register:** Display a sign at the register that says that credit card purchases will be subject to a surcharge by the Merchant. The sign at each register should be in a minimum 16-point Arial font, but in any case no smaller or less prominent than surrounding text.

InterPayments recommends merchants place a sign at the Main entrance(s) of the location and a Point-Of-Sale ("POS") register sign, each with the following text:

Thank you for your business!

To provide you the highest quality products and services at competitive prices, we may apply a fee to credit cards that is never more than our cost of accepting your credit card. You can avoid those fees by paying with any other payment method such as cash or debit cards.

Attended or Unattended Cardholder-Activated Terminal or Tablet-Based POS

As with other card present transactions, the customer should be aware of the dollars and cents amount of the subtotal, the surcharge amount, and the transaction total including the surcharge prior to completing the transaction. This is similar to card not present payments described above. This is required by new recent state laws even though the customer has already been properly informed by the signage. Many states have anti-"Bait and Switch" laws and ensuring the customer is fully aware of the surcharge or total amount ensures you comply with the varying laws.

You must provide two notices in this scenario:

- At the entrance to your establishment, as documented above
- On the payment screen, as documented below

Customers paying on an Unattended Cardholder-Activated Terminal or a Tablet-based POS device in which the customer is actively viewing the payment screen must receive a virtual disclosure on the payment terminal screen. The disclosure must notify the customer that the transaction will be charged a surcharge if payment is made using a credit card. The notice needs to be a minimum 16-point Arial font, but in any case, it must be no smaller or less prominent than surrounding text.

Suggested disclosure text options:

- "If you choose to pay by credit card, there may be a processing fee applied to this order. The fee is less than our cost associated with accepting your credit card. It will never be more than three percent. There is no fee when using a debit card or cash."
- "There will be a processing fee applied to this order for the use of a credit card. The credit card processing fee is less than our costs of associated with accepting your credit card. It will never be more than three percent. There is no fee when using a debit card."

Adding Surcharge Disclosures to Footnotes or Legal Contracts

The only surcharge disclosures required by card brands and state laws are the ones we provided to you. It's the text provided in this document that is displayed or verbally stated to the cardholder prior to accepting their payment method.

It's optional to add a footnote or legal page with a surcharge notification. Some merchants incorporate it into the terms and conditions of contracts with their customers. Their language mirrors the text disclosure by advising that you may pass all or some of your credit card processing fees should they pay you with a surcharge-eligible payment method (at this time, credit card). Please speak with your attorney or your InterPayments representative if you have further questions.

Limited Acceptance

Limited Acceptance is a program allowed by Visa and Mastercard on their cards. It allows merchants to only accept either Credit or Debit/Prepaid cards. For example, some merchants do not want to accept Visa and Mastercard Debit/Prepaid cards so they can surcharge all Credit Cards (and/or comply with American Express rules). Alternatively, some merchants want to lower fees by only accepting cheaper Visa and Mastercard Debit/Prepaid cards.

Visa requires merchants post signage indicating they only accept certain types of Visa cards and that they do not accept all Visa cards. This disclosure rule does not apply to Mastercard.

Unfortunately, Visa does not provide the signage required. As such, we recommend merchants inform their customers in the following ways:

- **Customer Surcharge Notice Letter** submitted prior to surcharge program starting. This alerts existing customers that you no longer accept Debit cards.
- **Online Payments:** Text disclosures of the surcharge include a note that you do not accept Debit cards.
- **Verbal Phone Payments:** Customers are verbally made aware that you do not accept Debit cards.
- **Physical/In-store:** Signage at the store entrance indicating the surcharge also notes that you do not accept Debit cards.

Customer Surcharge Inquiries

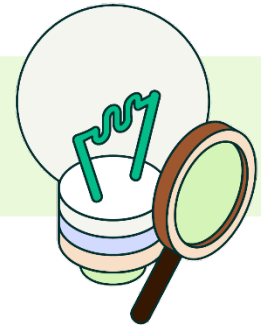
In limited cases, your customers may inquire or object your surcharge program. The only inquiry InterPayments merchants receive to date is "I see online that my state prohibits surcharging."

InterPayments recommends your customer support or service teams take a two-step approach:

1. First, respond with the following comment: "Thank you for your inquiry. We take surcharge compliance very seriously. We continuously evaluate the complex surcharge regulatory landscape to ensure compliant surcharges. Can you please provide the documentation justifying your concern? It helps us evaluate your inquiry. Thank you."

2. Then, your team sends the inquiry to support@interpayments.com. InterPayments will then respond extremely quickly with an answer that you can submit to the customer. We believe our surcharge rules are always accurate and we evaluate them constantly. However, we want to validate your customers' inquiries. Given rules change over time, we need to own providing the correct accurate response to your customers.

If you have questions about any of the information in this document, or would like guidance on best practice recommendations – we're here to help! Reach out to members of our sales or implementation teams and we will be happy to assist you.



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