

Merchant Services Surcharges

FAQ for Card Processing



What is surcharging?

Surcharging is a way for you to pass on a portion of your card processing fees to your customer.

Can I charge this on all debit and credit cards?

No, surcharges can only be applied to credit cards. Some systems can differentiate between debit and credit cards to apply surcharges correctly. There are also other ways to help you recoup processing fees. Contact your local Merchant Sales Advisor today or email us at merchantsupport@arvest.com for more information.

How will I know if I can assess a surcharge?

There are rules regarding when surcharging is allowed, and in some cases, they can be complicated. If you put the right processes in place, you can assess surcharges. Sometimes these rules don't matter if state law overrides them.

Do state laws about surcharges override the card brand rules?

State laws can override card brand (Visa, Mastercard, Discover, and American Express) rules, so knowing what's allowed in your state is essential. Here is a summary of the rules for the states in which Arvest Bank operates:

- **Oklahoma:** Surcharging credit cards is generally allowed, but as dictated by state law, it is capped at 2% or the cost of the card processing, whichever is less. Proper disclosures are required on receipts and at the register.
 - Exclusivity exception: If a seller only accepts credit cards as payment, a surcharge may not be imposed, as the customer is not considered to have chosen the credit card payment method in such cases.
- **Arkansas, Missouri & Kansas:** Surcharging credit cards is generally allowed, but it is critical to comply with Visa and Mastercard rules, which are capped at 3% or the cost of card processing, whichever is less. Proper disclosures are required on receipts and at the register.

What do I need to do if I want to apply a surcharge?

You must give Arvest Bank a 30-day notice before you begin applying a surcharge and register with Mastercard. To notify us, contact us at merchantsupport@arvest.com. We will have someone reach out to you and help you follow the applicable rules as you get started.

What happens if I don't follow the rules?

Card brands typically charge a fine. If you violate Visa's surcharging rules, you will be assessed \$1,000 for the first offense and \$5,000 for additional offenses.

If you violate card brand rules, your Arvest Merchant Services relationship may be terminated, and your ability to process card payments in the future may be at risk.

The Do's & Don'ts of Surcharging

Do's:

Ensure Legal Compliance:

Verify that surcharging is legal in your state and comply with local laws and credit card network regulations.

Transparency and Clarity:

Disclose the surcharge policy to customers before they pay, ensuring they understand the fee.

Equal Application:

Apply the surcharge uniformly to all credit card transactions, avoiding discrimination among card types.

Reasonable Surcharge Levels:

Set surcharges at a level that covers your processing costs but is also fair to customers.

Staff Training:

Educate staff on the surcharge policy to effectively explain it to customers.

Offer Alternatives:

Provide customers with various payment options, including those without surcharges, like cash and debit cards.

Document and Review:

Keep your surcharge policy well-documented and regularly review and adjust rates if necessary.

Don'ts:

Don't Surcharge Debit Cards:

Surcharges are typically limited to credit card transactions and cannot be applied to debit cards.

Don't Exceed Legal Limits:

Avoid charging more than your actual credit card processing costs or exceeding the limits set by card networks (e.g., 3% for Visa, 4% for Mastercard, or 2% for Oklahoma merchants).

Don't Mislead Customers:

Avoid any deceptive practices, ensuring customers understand the surcharge and its purpose.

Don't Discriminate Among Card Types:

Apply the surcharge uniformly across all credit card types unless permitted by local law and credit card network agreements.

Don't Surcharge for Refunds:

If you refund a customer, you must also refund the corresponding surcharge.

Don't Ignore Customer Feedback:

Monitor customer reactions to the surcharge and be flexible in adjusting the policy if necessary.

Don't Forget to Inform Your Processor:

You must notify your credit card processor and card associations at least 30 days in advance of your intention to surcharge.

Questions:

If you have additional questions, please contact your local Merchant Sales Advisor or email us at merchantsupport@arvest.com.