

PAYMENT BY CREDIT / DEBIT CARDS

As a result of EUROPEAN PARLIMENT DIRECTIVES 2008/122/ - SI 2012/3110 & SI 2017/752

on 13/01/2018 The Consumer Rights (Payment Surcharges) Regulations 2012 came into effect.

These regulations ban merchants from charging customers more than the direct cost borne by the merchant for the relevant method of payment.

It is a public miss-conception for people to believe it is illegal for a merchant to impose a surcharge for using a credit or debit card, the regulations do not say this.

CREDIT CARDS:

This regulation only applies to Credit Cards of a non-commercial card (i.e. personal credit cards) nature as stated in section 6A(1) of the regulation. **Credit Cards of a corporate card (i.e. company credit cards) nature are not included in the regulations.**

Section 6A(2) states that surcharges are permitted but must not exceed the costs incurred by the merchant/trader in processing the means of payment.

Section 6A(9.2) states that a surcharge comprises of: - A Merchant Service Charge (this is the fee a company pays to their payment service provider including interchange fee by payment service provider to the card issuer e.g. MasterCard, Visa, etc) + transaction/overhead fee paid by a company to intermediaries for the merchant service provided.

Section 6A(10.3) states that the surcharge can be calculated as being on an average basis.

The direct costs borne by EDS Roofing Supplies from Credit Card Companies in processing a payment by Credit Card range from 2.4% to 4.9% plus a fixed 70p payment fee.

EDS Roofing Supplies will comply with the Regulations by imposing a surcharge on Credit Cards of 2.5% per transaction.

DEBIT CARDS:

This regulation only applies to Debit Cards of a non-commercial card (i.e. personal debit cards) nature as stated in section 6A(1) of the regulation. **Debit Cards of a corporate card (i.e. company debit cards) nature are not included in the regulations.**

Section 6A(2) states that surcharges are permitted but must not exceed the costs incurred by the merchant/trader in processing the means of payment.

Section 6A(9.2) states that a surcharge comprises of: - A Merchant Service Charge (this is the fee a company pays to their payment service provider including interchange fee by payment service provider to the card issuer e.g. MasterCard, Visa, etc) + transaction/overhead fee paid by a company to intermediaries for the merchant service provided.

Section 6A(10.3) states that the surcharge can be calculated as being on an average basis.

The direct costs borne by EDS Roofing Supplies from Debit Card Companies in processing a payment by Debit Card range from 2.4% to 4.9% plus a fixed 70p payment fee.

EDS Roofing Supplies will comply with the Regulations by imposing a surcharge on Debit Cards of 0% per transaction.

Information on The Consumer Rights (Payment Surcharges) Regulations 2012 can be found on the UK Governments website and the website of the European Parliament (Union)