

□ Better Business Bureau tips for consumers: New merchant surcharges on credit purchases

Written by
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Most of us have gotten used to charging purchases, large and small, on a credit card. Just by swiping the card you avoid the hassle of carrying cash. Look carefully; you may notice a new fee on your receipt. Retailers are now allowed to pass along to consumers the cost of processing credit cards – though few have, to date. The Better Business Bureau of Minnesota and North Dakota (BBB) is advising people they may be able to save themselves money simply by staying vigilant.

It's called "merchant surcharging" and it's permitted in most states. As of January 27, you can be charged up to four percent on each transaction and, similar to sale taxes, merchant surcharging can be automatically added to your bill. After a while, if more retailers choose to tack on this surcharge, these charges could add up, so consumers may want to reconsider how they pay for goods and services.

Why now? Well, merchants have long been charged a processing fee by the credit card companies when consumers chose to charge their purchases. Previously, the fee could not be passed along to customers. However, as a result of litigation, merchants in the U.S. and its territories can pass that fee along directly to customers using credit cards (but not debit or prepaid cards).

What can consumers do?

- Use cash for smaller purchases.
- Look for notices about merchant surcharges; retailers are required to let you know so you can decide beforehand if you want to pay with a credit card.
- Frequent establishments you're familiar with; find trustworthy businesses at bbb.org.
- Use a credit card for online purchases when you need the greater protections that credit cards offer.
- Get into the habit of monitoring your bank account and credit cards accounts online.

Several states have banned merchant surcharges: California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas. In other states, it's optional, and will vary from store to store.

For more information on managing your credit, check out BBB's "Managing Credit – Made Simple" at bbb.org/credit-management.

Please note this article applies to U.S. residents only.

The mission of the Better Business Bureau is to be the leader in building marketplace trust by promoting, through self-regulation, the highest standards of business ethics and conduct, and to instill confidence in responsible businesses through programs of education and action that inform, assist and protect the general public. We are open 8 a.m. to 5 p.m. Monday through

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Friday. Contact the BBB at bbb.org or 651-699-1111, toll-free at 1-800-646-62