InterPayments

Surcharging, Convenience Fees, and Service Fees: What You Need to Know

Amidst the rise of cashless payments, merchants can implement fees on credit card transactions to offset processing costs and enhance fee recovery. However, it's crucial for companies to understand the key differences between service fees, convenience fees, and surcharging fees to effectively boost their bottom line while maintaining compliance.

Surcharging

- Most flexible option for B2B merchants
- Applies to credit card payments only—designed to offset the cost of accepting credit cards across any payment channel
- When surcharging, merchants charge a percentage of the transaction amount specific to each payment

Convenience Fees

- Charged on all payment types by a merchant for the "bona fide" convenience, such as allowing payments through a channel outside the merchant's usual payment method
- Fixed amount applied to every transaction, separate from the acceptance of a specific payment type

Service Fees

- Applies to any payment type for merchants or Third Parties in specific Government and Education merchant categories (MCC)
- Inapplicable to B2B merchants and are only allowed for certain Government and Education entities as defined by card brand rules
- Flat amount or percentage levied by the merchant or Third Party

The InterPayments Advantage

Simplified Fee Recovery

Recover your credit card processing fees without disruption to your existing payment workflows and vendors

Compliance Guarenteed

Maintain full compliance with state/provincial, federal, and card brand regulations—backed by indemnification

Automated Customization

Automate selective surcharging to target fee recovery on high-impact transactions, such as specific customer types, product lines, and geographies

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