

## Risks of Surcharge Noncompliance

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67 jurisdictions actively govern surcharges in the US, varying by card network, location, and more. Noncompliance can lead to enforcement actions from both card vendors and governments, adding considerable risk to a merchant's business. Consequences of violating surcharge requirements may include:

- **Fines:** Card networks actively enforce [surchage compliance](#), and penalties can escalate quickly for ongoing noncompliance. Visa and other card networks use mystery shoppers or compliance audits to detect improper surcharging. Customers can also report suspected violations directly to the card networks or regulators, which can lead to additional legal or financial consequences.
- **Loss of payment processing privileges:** Repeated or unresolved violations can result in suspension or termination of card-acceptance rights.
- **Chargebacks:** Violating card-brand surcharge rules can lead issuers to reverse transactions, resulting in the merchant losing the full purchase amount.
- **Reputational damage:** Customers who feel misled or overcharged may lose trust, leading to complaints and reduced repeat business.

### Real-World Cases

- A small restaurant chain in Kansas paid a **\$60,000** fine for illegal surcharges—more than two months of revenue for a typical regional restaurant.
- A business in Wisconsin was recently fined **\$25,000** by Visa for non-compliant surcharge practices (improper fee application and disclosures).
- At least 16 businesses were recently cited and fined up to \$4,000 per transaction for failing to provide advance notice that a surcharge would be added.

### Finding the Right Solution for Surcharging

As a Managed Surchage Provider, InterPayments enables merchants to mitigate risk by delivering automated, compliant surcharging across their business. InterPayments offers full compliance with state/provincial, federal, and card brand regulations. With InterPayments, merchants can maximize fee recovery without the complexity of managing various rules and regulations.

For state-specific regulations, [click here](#). Visit our dedicated [Wells Fargo Resource Library](#) for additional materials on our surcharging solution.