



Maximizing Surcharging Accuracy

InterPayments provides indemnified compliance and ensures customer surcharge acceptance with best-in-class credit card verification.

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Every time a surcharge is issued, a simple question comes first: “Am I allowed to surcharge this card?” Getting to the answer, as with anything in payments compliance, is harder than it appears to be at first glance.

Determining if a card can be surcharged depends on many factors. Is it credit, debit, or something more unusual like a prepaid card? What card network issued the card: Visa, Mastercard, or some other network? What sub-product is the card specifically – if it’s a Visa, is it a Visa Signature, Visa Classic, or Visa Platinum? All these questions determine not just if the card can be surcharged, but what surcharge rates are compliant *for that card alone*.

What are BIN tables?

These questions are answered by BIN tables. The first 6 to 8 digits of every card number are called a BIN (Bank Identification Number) – a numeric code that is essentially the DNA of how a card is processed. It also contains all the data that tells us if a card can be surcharged and at what rate. The BIN table decodes that BIN, translating it from a number into card type, network, product and more. Essentially, it’s a huge database describing what each BIN means.

BIN tables come from a variety of places. The credit card networks issue their own BIN tables, but so do many payments companies and other organizations. These BIN tables are updated periodically, as new BINs are created and the meaning of old BINs are changed by the card networks.

Not all BIN tables are equal

BIN tables are complex data sources, often containing millions of pieces of BIN data. They also need to be constantly maintained by their issuers. This means that BIN tables are only as good as their source. But using inaccurate BIN tables has real-world consequences. Getting a card type wrong when surcharging has two potential outcomes:

1. You miss surcharging a card that is allowed to be surcharged, reducing the amount of credit card merchant fees you’re recovering, and lowering your margins.
2. You surcharge a card when you shouldn’t. This is non-compliant, and often results in a significant fine. But even worse, **it’s also a bad experience for the customer**. Your customers are much more knowledgeable about surcharging than in the past. These days, they often know when they have a card that can’t be surcharged. Surcharging too many of these cards accidentally puts your customer base at significant risk.

The only answer is to minimize using the inaccurate data in BIN tables. But how can a merchant do that, when most surcharging solutions only use one or two BIN tables to check for compliance?

Risks of a Single BIN Source: Incompleteness, Lower Returns

Beyond knowing if a card is surchargeable, BIN tables contain additional data that provide details on the true cost of accepting any one card. This combination of data – if the card can be surcharged and its true cost of acceptance – are both necessary to maximize a return.

Without both of these data points, a merchant is left to surcharge based on the average cost of all card transactions – including low-cost debit cards. But with both of these data points, it's possible to surcharge at a rate that doesn't blend in low-cost, unsurchargeable card types.

The difference is more savings that adds up over time. But not all BIN tables include this data, which is why it's critical to use as many as possible.

The InterPayments Solution

Merchants should never have to worry about whether they're leaving money on the table or facing the risk of a fine – it takes focus away from the business. That's why InterPayments offers true indemnification against non-compliance. We believe in our solution, and we go above and beyond to get it right.

Surcharging accuracy is critical to maintaining compliance and customer satisfaction. We source as many BIN tables as possible – currently 10, with more being added frequently. We use this to build a comprehensive BIN database for compliantly surcharging as many cards as possible. Experience across billions of transactions over years allows us to determine their accuracy. This allows us to use the highest-confidence data from each table.

When BIN tables are updated by an issuer, we run verification checks to ensure that any major changes are manually confirmed by a team of experts. And we do the right thing: if errors are found, we work to report those errors to the issuer, improving data quality for the entire industry.

This rigorous, multi-sourced approach results in the highest possible:

- **Data Completeness** – We reference more than 18 million records, compared to an average source size of 4 million. If a BIN table does not contain a record for a card, that card cannot be compliantly surcharged.
- **Data Accuracy** – Even the most accurate single-sourced BIN tables conflict with other sources. Across 10 bin tables, these conflicts total in the millions. InterPayments tracks these discrepancies on an ongoing basis, recording what tables are most accurate for certain categories of data and only using those sources.
- **Reliability** – Our approach reconciles nearly 1.5 million records where BIN tables conflict on whether a card can be surcharged, using the most historically accurate source every time.

InterPayments keeps track of discrepancies for every BIN table as they are updated, keeping in mind historical accuracy and flagging major changes that could introduce new inaccuracies. We fully automate this time- and resource-intensive process, so it's invisible to the merchant.

By putting in this effort, InterPayments creates the best possible experience for merchant customers: surcharging that is transparent, fair, and accurate. We also minimize compliance risk, backing our rigorous process with best-in-class indemnification against fines. And we maximize surcharging returns, getting as close as possible to the true cost of acceptance for high-cost credit cards. These industry-leading efforts are why we're trusted by major banks, software platforms, and Fortune 500 companies to deliver surcharging that works for everybody.