

Merchant Surcharge FAQ's

1. What is a merchant surcharge?

A merchant surcharge is a charge imposed by a merchant that is paid by the customer at the point of sale. When the customer uses certain payment methods (such as a credit card or an EFTPOS card) to pay for goods and services, the merchant surcharge helps to offset the merchant's cost of accepting that particular payment method. Merchant surcharges are allowed by law. However, a merchant cannot charge more than what it costs them to accept customer payments.

2. Do I have to impose a surcharge?

No. As a merchant, the decision to impose a merchant surcharge is entirely up to you. However, if you choose to apply a surcharge, you must ensure that the surcharge does not exceed your COA for the relevant payment method.

3. What does cost of acceptance (COA) mean?

When a merchant accepts a payment from a customer, the merchant will incur a cost. This is called the cost of acceptance, or COA, and it may include bank fees and terminal rental costs. The COA may differ between card schemes (e.g. Mastercard, Amex, Visa and EFTPOS) and account selection (e.g. cheque, credit or savings).



4. How do I find out my COA?

We provide you with details of your COA per payment method (card scheme and account selection) in your monthly and annual merchant statements.

For example:

Merchant Statement - Tax Invoice					
Monthly totals by card type					
Card type	Number of sales items	Total sales	Number of returns	Total returns	Net total
Eftpos CHQ-SAV	39	\$2,625.60	0	\$0.00	\$2,625.60
MasterCard CHQ-SAV	37	\$3,076.00	0	\$0.00	\$3,076.00
MasterCard Credit	14	\$545.50	0	\$0.00	\$545.50
MasterCard Debit	99	\$3,666.50	0	\$0.00	\$3,666.50
Visa CHQ-SAV	20	\$1,479.50	0	\$0.00	\$1,479.50
Visa Credit	38	\$1,631.99	0	\$0.00	\$1,631.99
Visa Debit	76	\$2,681.40	0	\$0.00	\$2,681.40
Settlement Total	323	\$15,706.49	0	\$0.00	\$15,706.49
Fees & charges				Cost %	Cost \$
Terminal Fee	TERMINAL RENTAL				\$30.00
	TERMINAL RENTAL				\$30.00
Transaction Fees	Eftpos CHQ-SAV 39 @ \$0.23			0.34%	\$8.97
	MasterCard CHQ-SAV 37 @ \$0.23			0.28%	\$8.51
	Visa CHQ-SAV 20 @ \$0.23			0.31%	\$4.60
	MasterCard Credit @ 1.14%			1.14%	\$6.21
	MasterCard Debit @ 1.14%			1.14%	\$41.81
	Visa Credit @ 1.14%			1.14%	\$18.61
	Visa Debit @ 1.14%			1.14%	\$30.57
Total Charges					\$179.28
GST					\$17.92
Total Charged					1.26% \$197.20

Your transaction fee for cheque/savings transactions

This fee is displayed as:

- A **dollar** value (being the amount charged to you per cheque/savings transaction that you process); &
- A **percentage** (representing the fees paid by you as a percentage of your sales volume for the month for this transaction type). Either value can be used to represent the fees paid by you to us for processing this transaction type (excluding terminal rental and other fees).

Your transaction fee for credit transactions

This fee is displayed as a **percentage** and is the amount charged to you per credit transaction that you process. This percentage reflects the fees paid by you to us for processing this transaction type (excluding terminal rental and other fees).

Your total COA charged

This is displayed as a **percentage** and represents your total monthly fees (including transaction processing and terminal rental) as a percentage of your total monthly sales.

5. As a new merchant, how do I know what I can surcharge?

Your monthly COA will appear on your first merchant statement.

If you are still waiting for your first merchant statement, you can either:
choose not to apply a surcharge; or
impose a surcharge that does not exceed what it costs you to process a transaction (your COA).

If you need help with determining your COA, please call our merchant support team on 1300 720 356.

6. Do I need to publicise that I am imposing a surcharge?

Yes. Merchants are required to publicly display what cards they will apply any surcharge to. Signage must be clear and in public view. You will need to display the percentage or the amount (where relevant).

7. Can I impose a flat fee instead of a percentage surcharge?

Yes, you can impose a flat fee for each card type. However, you must ensure the amount of the surcharge does not exceed your COA for any given transaction.

8. What if I am already applying a surcharge?

If you are already applying a surcharge, we recommend that you examine your monthly merchant statement and, if necessary, amend your surcharge rate to reflect your COA.

9. Can I change my surcharge amount at any time?

Yes. You are free to change your surcharge rates at any time. For example, you may wish to increase your surcharge to help cover additional costs incurred by your business. However, if you increase your surcharge for this reason, you will need to keep invoices, contracts or other statements to justify these additional costs. For details, see: <https://www.accc.gov.au/consumers/prices-surcharges-receipts/credit-debit-prepaid-card-surcharges>

10. Does a merchant surcharge apply to all transactions?

No. Online (e-commerce) transactions do not automatically incur a surcharge.

11. Can I apply a surcharge on AMEX transactions?

Yes. If you accept AMEX card transactions, you can set a surcharge rate. You can contact American Express on 1300 363 614 (option 4) for information about your COA.

12. Can I apply a surcharge to a MOTO transaction?

Yes. A surcharge can be applied in instances where the following conditions are met:

- The Cardholder is informed of the fee prior to the completion of the transaction.
- The Cardholder has the opportunity to cancel the transaction once the fee has been disclosed.

13. What if I have more than one facility? Can I apply a surcharge to each terminal?

Yes you can. We suggest that you impose the same surcharge on all your terminals.

14. How often should I review my surcharge rates?

The ACCC recommends that merchants review their surcharge rates at least once a year.

If you adjust your surcharge rates you should, where possible, use the most recent annual percentages or fixed fees (as appropriate).

If 12 months' worth of information is not yet available, you should ensure the surcharge rate does not exceed the rate displayed on your monthly merchant statement.

15. What happens if I fail to review my surcharge rates?

It is important that you review your surcharge rates to make sure that they don't exceed your COA. The ACCC has review and investigation powers in relation to excessive surcharging. It may require you to produce evidence of your COA to justify the amount that you are charging your customers. Evidence may include the annual COA statement that we provide to you.

16. What happens if I apply an excessive surcharge?

If your surcharges are excessive, complaints can be made to the ACCC.

If the ACCC considers that your surcharges are excessive, it may issue you with an infringement notice and require you to pay a penalty. Failure to comply with the infringement notice may also result in the ACCC initiating court proceedings against you.

17. How do I activate automatic surcharging?

Automatic surcharging is available on the MOVE5000 device.

If you have a MOVE5000 device, you can set up automatic surcharging settings through the terminal using the following steps:

1. Press MENU.
2. Select TERMINAL.
3. Select SURCHARGING.
4. Press F1 to ENABLE surcharging. Terminal screen will now display SURCHARGING ENABLED - Press ENTER to continue.
5. Select Card Type you wish to apply surcharge to. Use F2 and F3 to toggle between options and press ENTER.
6. Select 1. FIXED FEE if you wish to apply a fixed fee per card transaction or Select 2. PERCENTAGE OF TOTAL to apply a percentage surcharge to card transactions.
7. Enter the Percentage Rate or Fixed Fee as required, and press ENTER. Press ENTER again to confirm.
8. Repeat this process for all cards as needed.
9. Once all fees have been applied as needed press CANCEL from the SELECT ISSUER screen and you will be prompted to PRINT REPORT.
10. Press ENTER to print a surcharge report or press CANCEL to return to home screen.

18. What if I don't have a MOVE 5000 terminal?

If you don't have a MOVE 5000 device, you need to apply a manual surcharge rate for each transaction.

If you are interested in upgrading your terminal to a MOVE 5000 device, please call our merchant support team on 1300 720 356.

19. Can I switch off automatic surcharging? If yes, how?

Yes. Automatic surcharging can be switched off at any time.

To disable automatic surcharging on the MOVE 5000 terminal, follow the below steps:

1. Press MENU.
2. Select TERMINAL.
3. Select SURCHARGING.
4. Press F4 for DISABLE then press ENTER.

You can re-enable automatic surcharging on the MOVE 5000 terminal at any time by following the steps set out in question 16.

20. Where can I find more information about surcharges?

The Reserve Bank of Australia has an extensive list of Q&As: <https://www.rba.gov.au/payments-and-infrastructure/review-of-card-payments-regulation/q-and-a/card-payments-regulation-qa-conclusions-paper.html#surcharging-merchants>

The ACCC offers useful compliance information: <https://www.accc.gov.au/consumers/prices-surcharges-receipts/credit-debit-prepaid-card-surcharges>