

News story: Card surcharge ban means no more nasty surprises for shoppers

Hidden charges for paying with a debit or credit card will be banned from today (13 January), helping millions of UK consumers to avoid rip-off fees when spending their hard-earned money.

So-called 'surcharging' has become commonplace, particularly online, with many retailers hitting people with surprise charges just before they are about to make a purchase. Some retailers have been known to add charges which are far higher than it costs them to process a payment. It is estimated that surcharging cost Brits £166 million in 2015.

Today's ban means that it will be unlawful for retailers to charge additional fees when someone uses a particular credit or debit card, or other payment systems like PayPal, to make a purchase. This will ensure consumers can be confident that there won't be any nasty surprises, and they won't be penalised for wanting to pay in a particular way.

Economic Secretary to the Treasury, John Glen said:

It's completely unfair for someone to be hit by a hidden fee just before they are about to make a purchase, so by scrapping these rip-off charges we are helping to give power back to the consumer.

As we build a fairer society, this added transparency ensures buyers can make informed choices about how they spend their hard-earned money.

The new rules will be enforced by Trading Standards who will have the power to take civil enforcement action against traders who breach the regulations. It will also entitle customers to receive a refund of any unlawful surcharge they have paid and enable them, if necessary, to take legal action to recover any such surcharge.

The ban on credit and debit card surcharges is effective across the EU from Saturday 13th January 2018, and will apply to all purchases made where the banks of the consumer and retailer are within the EEA. In the vast majority of other circumstances surcharges are capped at the cost to the retailer for processing the payment. The UK Government took the decision to also include other payment methods such as PayPal in the ban to further protect consumers.