



Merchant fees turn back up

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Surcharging may be becoming more common on credit card payments, data published by East & Partners suggests.

East said that among very large merchants, up to 26 per cent of merchants have already introduced surcharges and a further 39 per cent are planning to do so in the coming months. East quoted data by the RBA from early 2007 that estimated that 13 per cent of merchants added credit card surcharges at the end of 2006, and only seven per cent did so in 2005.

More than 11 per cent of small merchants – defined by East as those with turnover between \$1 million and \$5 million – now apply surcharges, up from five per cent in the middle of 2007.

The publicity for the East report also said that merchant service fees paid to banks have begun to stabilise after a period in decline. East said about 21 percent of merchants reported a recent decrease in their merchant service fees, down from more than 90 per cent of merchants reporting fee decreases in December 2007.

East said 19 per cent of SMEs and 23 per cent of small business merchants said their merchant fees actually went up.

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