

RESERVE BANK OF FIJI



PRESS RELEASE

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Phone : (679) 331 3611

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Fax : (679) 330 2094

E-mail : info@rbf.gov.fj

CREDIT CARD SURCHARGES

The Reserve Bank of Fiji has established that credit card merchants have been applying a surcharge to credit card users despite clauses in their merchant trade agreement with commercial banks which explicitly prohibits this practice. In some cases, this has been happening over a period of time.

The Reserve Bank continues to receive complaints from the public on the surcharges imposed for credit card transactions by merchants.

The rule in the Merchant Services Agreement which prohibits merchants in Fiji charging their customers is commonly known as the “no surcharge” rule. Despite this rule, it has become obvious that merchants still surcharge their customers. It has also come to the Reserve Bank’s attention that this rule has been applied inconsistently by both the credit card issuers and the merchants. Therefore, the Reserve Bank has recognised the need to intervene and to make a ruling on credit card transactions.

Prior to making a decision, however, the Reserve Bank intends to consult with all relevant stakeholders. It proposes to maintain the present *status quo* of “no surcharge” rule. However, the Reserve Bank intends to have public consultation on this issue. All stakeholders who believe that there is a need and/or otherwise for the imposition of credit card surcharges are requested to make their submissions to the Reserve Bank and to justify the imposition, and/ or otherwise of these surcharges.

The Reserve Bank has issued a consultation paper outlining the concerns and a discussion on policy options on the way forward. Copies of the consultation paper may be obtained from the Reserve Bank. Written and oral submissions from all stakeholders should be sent and made with the Reserve Bank before 31 May 2012.

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