

Convenience Fees and How They Work

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Qualpay provides the information below as a general overview, but it is not intended as legal advice. You are encouraged to consult with your own legal counsel prior to implementing any convenience fee program.

What Are Convenience Fees?

Convenience fees are charged for the privilege of paying for a product or service using a non-standard method of payment. For example, movie theaters usually sell tickets in person at a ticketing window. If the movie theater also gives customers the option of paying for tickets online, the theater could charge a convenience fee for the online ticket orders. Customers are not paying for the right to use their credit card but for the privilege of making a payment in a non-standard method.

Are Convenience Fees The Same As A Surcharge?

The answer depends on whether you are comparing surcharges and convenience fees under state laws or under the card brand rules. Under state laws that prohibit surcharging, there is no material difference between a surcharge and a convenience fee. If a state law prohibits the addition of a fee associated with the use of a payment card, then it generally does not matter what that fee is called, even though state laws tend to refer to those fees as “surcharges.”

When it comes to the card brand rules, there is a difference between a surcharge and a convenience fee, and the two are often confused. A convenience fee is sometimes mistakenly referred to as a [surcharge](#); however, there is a difference between the two under the card brand rules. A surcharge is charged for the privilege of using a credit card as a form of payment. A convenience fee is assessed for using a more convenient payment channel and is not limited to credit cards. It is very important to understand which can and cannot be utilized by a merchant and in what circumstances.

What Card Brand Rules Apply To Convenience Fees?

Presently, the most detailed guidelines for the application of convenience fees appear in the [Visa rules](#) 5.5.2.1 and Table 5-6, which are hyperlinked here for your convenience. Reference to convenience fees also appears in the [MasterCard rules](#) at Rule 5.12.2. Note that card brands generally update their rules twice a year, so the linked versions may not be the most recent ones; however, the rules are publicly available online.

Guidelines for Applying Convenience Fees

As an overview, Merchants may charge a convenience fee to credit or debit card transactions under the following conditions:

- The Merchant must notify the customer of the convenience fee before finalizing the payment and give the customer the option to cancel the transaction.
- All transaction receipts must display the amount of the convenience fee. If using the Qualpay Virtual Terminal, the receipt will comply with this guideline.
- The payment must take place in a non-standard payment channel.
- A convenience fee must be a flat, fixed amount.
- The convenience fee must be applied to all means of payment accepted through the non-standard payment channel.

- The convenience fee must be included in the transaction amount total.
- A convenience fee cannot be applied to recurring payments.
- The business collecting the payment may not be exclusively operating in a card-not-present environment.

How Do I Enable Convenience Fees With Qualpay?

By default, convenience fees are not available in the production environment. You may request this option to be added to your Qualpay account profile. To request this option, please contact the [Qualpay Customer Support team](#).

For sandbox accounts: The convenience fee option is available on all sandbox accounts by default. Enable this option in the Qualpay Manager from the Administration screen and select Settings.

Setting up Convenience Fees For The Qualpay Virtual Terminal

1. Select **Administration**
2. Select **Settings**
3. Select **Payment**
4. Scroll down to the **Virtual Terminal Settings** section of the payment profile

In the **Convenience Fee** section, you can set if a convenience fee is required on Qualpay Virtual Terminal transactions. If the convenience fee is required, the toggle option will show in *green*. If the convenience fee is optional, the toggle will show in *white*.

You can also set the default convenience fee amount in the **Convenience Fee** section. To add the default convenience fee amount, enter the set dollar amount in the *Default* field. Once the amount is added, scroll to the top of the page and click **Save Payment Profile**.

Processing Convenience Fees In The Qualpay Virtual Terminal

Qualpay supports a variety of transaction types via the [Qualpay Virtual Terminal](#).

To process a transaction click **New Transaction**, then select the [Transaction Type](#). Enter all applicable transaction data into the Virtual Terminal [transaction fields](#).

Processing Convenience Fees On Qualpay API Solutions

To process a convenience fee using one of our API solutions, you must include additional parameters with your API call. Visit our Developer Center [API page](#) for the solution guide needed to identify and add the additional fields to your integration.
