InterPayments

Selective Surcharging: Key Applications

With rising card-acceptance costs and evolving compliance regulations, surcharging enables businesses to recoup processing fees and strengthen their margins. Businesses can target high-impact transactions through selective surcharging, tailoring fees by customer segments, product lines, and more. Merchants can decide when, where, and to whom surcharges should apply while remaining compliant. InterPayments automates selective surcharging, leveraging payment channels, customer profiles, and sales models to help businesses achieve their financial and operational goals. Almost all of our merchants selectively surcharge.

Where Selective Surcharges Can Be Applied

- **Customer Segment:** Waive or reduce surcharges for VIP clients to maintain loyalty.
- **Channel:** Target specific channels (e.g., phone, online) to incentivize preferred payment behavior.
- **Product Line:** Apply surcharges to product lines with the greatest margin pressure. InterPayments supports product- and brand-level configuration.
- **Transaction Type:** Surcharge either one-time or recurring payments. For example, surcharging one-time credit card payments can nudge customers toward recurring payments made via lower-cost methods. This can result in a steadier revenue stream, reduced interchange expenses, and stronger customer retention.
- **Geography:** Pilot our surcharge program in states without surcharging restrictions to measure fee recovery impact before broader rollout.
- **Payment Terms:** Implement time-based surcharges to accelerate payments. For example, waive surcharges within an early payment window (e.g., net 10 or within 30 days) and gradually increase fees for later payments. This approach encourages customers to pay earlier or switch to lower-cost payment methods, reducing Days Sales Outstanding (DSO).

Please Note: Card brand rules prohibit discrimination against any card network or issuer. Therefore, InterPayments does not allow any selective logic that targets a specific brand or issuer.

Selective surcharging represents a proactive approach to strengthening financial performance across multiple dimensions. When implemented strategically, it can enhance compliance, encourage lower-cost payment methods, and foster customer loyalty, unlocking measurable gains in margin and overall payment performance.

Questions?

Reach out to us at sales@interpayments.com.

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