



Herbert H. Slatery III Attorney General & Reporter

FOR IMMEDIATE RELEASE
February 12, 2021
#21-07

CONTACT: Samantha Fisher
615.741.5860
Samantha.fisher@ag.tn.gov

AG SLATERY WARNS AGAINST DECEPTIVE CREDIT CARD SURCHARGES

Nashville – Tennessee Attorney General Herbert H. Slatery III is advising consumers to look out for hidden charges on their credit card transactions that may be appearing during the COVID-19 pandemic.

Merchants must not mislead customers, such as by falsely advertising a lower price than they actually charge or hiding any differences between credit card, debit card, and cash prices. A merchant’s failing to clearly and prominently disclose—before a consumer pays or seeks to pay for an item—what it will charge for the item, including any additional fees, may violate Tennessee law prohibiting deceptive or false advertising.

“Consumers deserve to know exactly how much they are paying for a product or a service,” said General Slatery. “Any credit card surcharges need to be communicated clearly and in advance.”

WHAT TO DO:

- Check the receipt to make sure the price charged matches the advertised or posted price of an item (plus tax, if applicable).
- Look for the seller to display the full price (excluding tax) using each method of payment accepted. For example, the merchant should display the full price if the customer pays by credit card and separately the full price if the customer pays in cash.
- Be wary of a credit card surcharge that exceeds the actual incremental cost of the operating expense which is typically around 1%-1.5%.
- Look out for credit card surcharges characterized as “cash discounting.” Discounting occurs only when the consumer is invited to pay less than the full posted price.
- If you think a seller is improperly charging customers, failing to disclose what it is charging, or otherwise engaging in false or misleading sales practices, you can file a complaint with the Tennessee Attorney General's Office here: tn.gov/consumer or contact your credit card company.