

## IS YOUR BUSINESS SAFEGUARDED FROM THE IMPENDING VISA CRACKDOWN?

Many business owners are unaware that back in **January of 2023**, Visa sent a memorandum to credit card processing companies that they were making changes to their rules and spending a lot of money and resources on enforcement.

Come **15 April 2023**, Visa will begin monitoring and taking action against "non-compliant" processors. Additionally, they have put some rate caps into place.

### WHO IS AFFECTED?

While this immediately affects merchants on surcharging and discount/non-cash adjustment programs, every business that takes cards or offers discounts should take note of this article.

### BACKSTORY

Visa has a history of opposing programs that encourages customers to use cash to pay for goods and services. Visa and Mastercard **settled a \$5.7 Billion lawsuit** over a decade ago that won a merchant's right to surcharge credit cards, albeit under the card brands' guidelines.

### TODAY

Visa has made some changes to its surcharging rules as well as taking significant steps to enable enforcement:

- **Decreased** the maximum surcharge that can be passed to cardholders to 3%
- Scanning websites/social media to find "non-compliant" programs
- Hiring an unprecedented number of **secret shoppers** to go into businesses
- Forced card ISOs and acquiring banks to divulge their lists of merchants on non-traditional programs (non-cash adjustment, dual-pricing, compliant surcharging).

### WHAT IF A BUSINESS IS NONCOMPLIANT?

Despite all its efforts, Visa still doesn't have the manpower to go after individuals. However, this does not mean we are clear. In terms of processor **finest**, they are steep. **Upwards of \$50,000 for each merchant after 90 days of non-compliance.**

If you are wondering how this affects you since you aren't the one being fined, keep reading. These fines are high for a reason. This forces one of three outcomes:

- Go back to traditional processing
- Bring your surcharging/dual-pricing programs into Visa's interpretation of compliance
- Forces a processor to eventually **drop a non-compliant merchant**, potentially putting them on the TMF/MATCH list, making it much harder to get a new processor, and higher rates if they do.

### SHOULD I JUST STAY WITH OR GO BACK TO TRADITIONAL PROCESSING?

**Absolutely not!** It is not hard to be in compliance with a good processor. These programs are where the processing industry is going. Utilizing compliant surcharging or dual-pricing will benefit you greater than any other processing model. The longer you aren't on these programs, the greater your competition's advantage. Regardless of whom you process with, you should seek opportunities like these that are in compliance.

At **AMST**, we and our ISOs have worked to get ahead of this and revamped our programs to be fully compliant, protecting our merchant partners' interests. **AMST** always has and will continue to work with and for small businesses. If you desire a small, hometown business to work with you, give you focused attention with up-to-date customized solutions, all the while ensuring great deals, then please reach out.



Information by Taylor Butler  
Owner/Operator

We're changing our look! Check out a sneak  
peek of one of our soon-to-be new logos

Keep an eye out for the full rebrand later in  
2023

courtesy of Heidi Dotson  
(heidi.paige22@gmail.com)

**AMST  
Financial**

Interested in learning  
more about our ATM and  
card processing services?

Scan to  
check out  
our website →



Or search for  
www.AMSTFinancial.com