

Popular Threads on Solosez

Credit Card Fees

For those of you who accept credit cards, do you tack on or charge back the fees associated with processing the credit card, i.e., the 2.5% fee or whatever it may be? Can that be done?

John C. Drapp III

In my general knowledge, it is against the terms of service to charge an additional %age for use of CC. Of course, check your agreement for the specifics.

However, I have seen retailers do a cash discount that was of equal or similar value of the CC charge.

Dan Nguyen

It's in violation of your CC agreement.

Steve ODonnell

In addition to what Dan said, some states make it illegal to charge a customer a surcharge to use a credit card. Discounts for cash are OK, though.

Tom Simchak, Houston, Texas

That's kind of what I thought. We just signed up to accept credit cards, and I was having that debate with another lawyer that charges surcharges. That is an interesting concept though, discounting for cash. Thanks for that thought!

John C. Drapp III

I just increased my hourly rate across the board. I heard (but didn't check) it's illegal to charge back the fee to the client.

Melanie Ford, Duluth, Minnesota

I've been a client before (when I was in-house and we hired outside firms), and nothing made me more upset than when I felt I was being nickel-and-dimed. Your question reminds me of the firm that billed my former employer for millions of dollars every year in legal fees, and yet had the chutzpah to add a charge for \$1.50

for divider tabs. Then, when I called the partner to complain, she argued with me! Needless to say, we did not pay the \$1.50.

2.5% on a \$300 hourly rate is only \$7.50. As a client, if I had seen a bill with that kind of service charge on it, I'd have hit the roof. I don't accept credit cards, but if I did I would consider the service charge part of my overhead. From a client relations perspective, my suggestion is that, for now, you eat the charges, and that next time you raise your rates you consider whether you want to build the service charge into the increase.

My \$.02.

Scott I. Barer

In Florida, the Florida Bar allows clients to pay by credit card, even retainers. But it prohibits the charging of the fees to the clients. I believe the reasoning is that this is a business expense of the law firm, and is not related to representing the client.

David A. Silverstone, Hollywood, Florida

That's the route I think we are going. I was just curious how other people handle the matter, and was curious about the question of whether that can be done anyway. The way I look at the matter, at least with retainers, if I take a \$5,000 retainer and get hit with the fee for a cc payment, it's better than NOT having the \$5,000 retainer.

John C. Drapp III

In many jurisdictions it is prohibited to charge credit card fees to individuals by consumer protection laws, although this may not apply to business entity clients.

Alan P. Bernstein

Years ago, it was illegal to charge extra to use a CC. Don't know now, since I've seen some "convenience" fees, etc.

William B. Richards, New Albany, Ohio