

Dear Editor

We refer to the letters from Mr Alvin Ho ("Many companies still charging swipe fees"; Oct 25) and Mr Tan Kin Lian ("Cut fees imposed on merchants"; Oct 26).

Under the Merchant Agreement, merchants are not allowed to impose any additional charge or conditions on consumers when accepting credit card as a payment mode. Consumers may report errant merchants to the banks that issued the card. The banks would then take up the matter with the merchants.

If investigations show that the violation is a wilful one, the banks reserve the right to terminate the Merchant Agreement.

Certain industries, such as budget airlines, may apply to the various card schemes for variance to impose "convenience fees" for card-not-present transactions.

However, they must disclose these fees to the cardholder before completion of the transaction so that the cardholder has the opportunity to cancel the transaction.

Some merchants offer discounts when customers pay by cash or NETS instead of credit cards. Consumers are best positioned to decide on their payment mode: Whether to avail of the discount, to not patronise the merchant or to report the latter to the banks.

We thank Mr Ho and Mr Tan for their feedback.

Ong-Ang Ai Boon, Mrs
Director
The Association of Banks in Singapore