

American Express®

CONVENIENCE FEE POLICY

This policy is effective as of March 1, 2008 and is subject to change by American Express at any time. This is an updated version of the July 2004 Convenience Fee Policy.

Policy Statement

Customers should feel free to use all forms of payment that merchants accept without being penalized for choosing a particular form of payment and, to promote consumer choice, merchants are generally prohibited from imposing any restrictions, conditions, or disadvantages when the Card is accepted that are not imposed equally on all other payment products. Certain merchants in the government, utilities and higher education sectors charge convenience fees for certain Qualified Transactions, as defined below. Merchants in these sectors that charge these fees for Qualified Transactions on American Express® Cards may charge these fees provided that they comply with the requirements set forth in this policy.

What are Qualified Transactions?

Qualified Transactions are (i) transactions at merchants that are government entities, including government utilities; and/or (ii) transactions at merchants that are privately owned utilities and/or (iii) transactions at merchants that are higher educational institutions for tuition, room and board or other mandatory fees.

Should the convenience fee be disclosed to the customer?

YES, the merchant must clearly disclose the amount of the convenience fee to the customer and the customer must be given the opportunity to cancel the transaction if the customer does not want to pay the convenience fee.

Any explanation, verbal or written, describing why the convenience fee is being imposed, or how it is calculated, should characterize the convenience fee as a charge to cover the merchant's administrative costs and NOT as a charge to cover the merchant's costs of accepting the Card.

Can a merchant charge a higher convenience fee for American Express Card transactions?

NO. As noted above, the customer should not be penalized for choosing a particular form of payment based on their individual needs. American Express' view is that it would be discrimination against the American Express Card if a merchant imposed a higher fee on American Express Card transactions than it imposed on other credit, debit, charge, smart card, account access device or other payment card, service or product, except for Automated Clearing House (ACH) funds transfers, cash and checks. American Express treats discrimination against Cardmembers as a breach of the Card Acceptance Agreement.

Can a third party service provider ("TPSP") charge a convenience fee?

A TPSP can only charge a convenience fee when it accepts the Card for a Qualified Transaction and it must do so in accordance with the requirements set forth in this policy.