Passenger Transportation Board
MOVING FORWARD, TOGETHER

Credit card surcharges - feedback requested

January 18, 2023

Payment Card Network Operators (PCNO) such as Mastercard and Visa recently announced that, effective October 6, 2022, businesses will be permitted to add a surcharge, if they choose, to all transactions paid by credit card.

While the new PCNO rules allow for credit card surcharges to be passed on to the consumer, PCNO rules are subject to applicable provincial and federal laws.

Background – Passenger Transportation Board Authority

Under section 7(1)(f) of the provincial Passenger Transportation Act (Act), the Board may approve or set rates to be charged by a licensee in respect of passenger directed vehicles operated under a licence that includes passenger directed vehicle authorization (PDVA) or transportation network services authorization (TNSA) for the purpose of establishing just and uniform charges and any rules or practices relating to those rates.

Under section 7(1)(g) of the Act, the Board may make rules respecting rates that are or may be charged by a licensee, any rules or practices of a licensee relating to those rates and any tariff of those rates. Under the Act, rates include discount fares, deadhead charges, roundtrip fares, point-to-point fares, minimum charges, and any other fees or charges.

Any credit card surcharge is included under the Board's authority to establish rates rules.

Current Board Rules

Section 18 of the Board Standard Rules for Taxicab Rates [LINK] indicates that licensees may not charge or collect from passengers the following fees: Credit card fees imposed by credit or financial companies on businesses; Fees for booking a fare through a mobile app. Therefore, under the current rules, the taxi sector is not permitted to charge credit card surcharges to customers. As well, surcharges are not permitted for shuttles or other passenger-directed vehicles (i.e., small vans or non-limousine service).

The Board's TNS Minimum Rates Rule [LINK] applies to TNSA licensees and prohibits the use of coupons or discounts that reduce a fare below the TNS minimum rate. There is no reference to surcharges; therefore, the Board neither permits nor prohibits the charging of credit card surcharges by TNS, the rules are silent on the subject.

The Board's Min-Max Rates and Standard Rules for Limousines [LINK] allows licensees to charge customers for tolls, public fees, and other service charges, if the licensee informs a customer at the time of the agreement for a variety of items; however, the rule is silent on credit card surcharges.

Submissions from Industry

To improve uniformity and clarity on credit card surcharges, the Board is seeking to amend its rates rules across the passenger transportation industry.

Specifically, the Board is considering enacting a rule under section 7(1)(g) of the Act prohibiting the charging of credit card surcharges by all PDVA and TNSA.

The Board is seeking submissions from industry on this matter. Any submissions must be provided to the Board by February 8, 2023. Please send your submissions with the subject line "credit card surcharge" to: ptboard@gov.bc.ca.