



FREQUENTLY ASKED QUESTIONS – NO MERCHANT SURCHARGE CAMPAIGN

WHAT IS THE 'NO MERCHANT SURCHARGE' CAMPAIGN ABOUT?

On 28th July, 2020 Uganda Bankers Association and its membership in collaboration with the Card scheme service providers VISA & Mastercard, launched the "No Merchant Surcharge" Campaign running by the slogan "PAY WITH YOUR CARD @ NO EXTRA COST".

The campaign is in response to the circular issued by Bank of Uganda on 29th August 2019 prohibiting the levying of merchant surcharges, imposition of minimum transaction amounts for acceptance of payment by Cards.

WHAT IS A MERCHANT SURCHARGE?

This is the extra amount of money that is added to a stated bill when a customer chooses to make payment using their Bank Card for goods or services at a Point of Sale terminal that could be in a Supermarket, Hotel, Restaurant, Fuel Station, Saloon, etc.

WHY DOES THE MERCHANT SURCHARGE EXIST?

The practice at Merchant points was initially put in place to minimize risk in case of fraud as well as exposure when there are delays in settlement to the Merchant. However, to-date there are several card security enhancements that have been put in place; and settlement is now much faster from the back end.

WHAT DOES THE CAMPAIGN AIM TO DO?

- Raise awareness and encourage customers to use their bank cards to pay for goods and services at Point of Sale (POS) terminals
- Sensitize merchants to remove the extra fees for electronic payments made by card through Point of Sale (POS) terminals. These could include Supermarkets, Restaurants, Hotels, Bars, etc
- Highlight the benefits of using a bank card and ultimately promote card usage as a quick, safe and more convenient payment option.

WHAT ARE THE BENEFITS OF USING YOUR BANK CARD?

- Using a Bank card to pay for goods and services is Quick. The transaction between the buyer and seller takes minimal time.
- Using a Bank card is Safe. It minimizes exposure to risks of robbery and counterfeit notes.
- Using a Bank card is Convenient. The Cardholder uses their Bank Card at their will and time of convenience.

WHAT ARE SOME OF THE DISADVANTAGES OF THE MERCHANT SURCHARGE

- The imposition of minimum or maximum transaction amounts constrains usage and limits the potential in card payments, because it restricts and confines one to a range within which to transact.
- The efforts of banking penetration are deterred and consequently hindrance of Financial Inclusion.
- During these times of the COVID 19 pandemic the exchange of cash is a high risk to the public's health.

HOW DOES ONE ACCESS A BANK CARD?

Anyone without a Bank card can speak to their respective Bank relationship manager about acquiring and using a Bank card.

CAN I USE MY ATM CARD TO MAKE PAYMENTS OR ARE THERE SPECIFIC CARDS THAT SHOULD BE USED FOR THIS PURPOSE?

When you open an account at the bank of your preference, request for an ATM card. This ATM Card whether VISA, Mastercard, Union Pay can be used at a Point of Sale Terminal to make payments at your convenience.

HOW DO YOU REACH UGANDA BANKERS ASSOCIATION ABOUT THE NO MERCHANT SURCHARGE CAMPAIGN INFORMATION?

- Telephone (Working Hours) - 0312343400
- Email : secretariat@ugandabankers.org
- Social Media Platforms

