„Dit macht 1.50 extra, weeste“ – Surcharging in Berlin and other places

The dream of paying cashless without paying for it is about to come true. Finally, no more surcharging thanks to PSD2, right? Not quite: Frequent travelers to Berlin know the answer to the question, when they ask their taxi driver whether it might be possible to pay by credit card: “Sure, but that´s an extra 1.50 Euro, you know”. Not only taxis in Berlin charge this fee, Lufthansa and Deutsche Bahn charge you for payments with credit card or PayPal, as well. Payments for payments are called surcharging and it is, even if this impression might be given by our examples, not only common in the transportation branch, but also amongst many online-traders. Through the PSD2 regulation this situation has been solved by the legislator, or at least they have tried. The surcharging prohibition is implemented through § 270a BGB in Germany, which has been in effect since 13th January 2018. In our PayTechTalk Episode 16 we take a closer look at this paragraph.

Market regulation versus market distortion

What exactly are three party payment card schemes and four party payment card schemes when it comes to cashless payment transactions and why is distinguishing between them important for the surcharging issue? Does the prohibition also apply to PayPal and Sofort? How come Berlin taxi companies believe it does not apply to them? Are there any loopholes for online-traders to still make their customers pay for payments? Does the surcharging regulation succeed in relieving the consumer or is its only consequence a distortion of markets? Many questions, all of which my colleague Susanne is happy to answer in our PayTechTalk Episode 16 – as always in a clear, easily understandable way.

The original version of this podcast is German.