Hi Lynn May,

Many thanks for getting in touch with the Treasury in regards to the announcement on the ban surcharging.

I can confirm that the ban does come into effect on 13 January 2018 and that there is no transition period for the provision.

Let me know if you have any other questions.

Best wishes,
Measha

Measha Patel | Payments Policy Advisor | Banking and Credit | Financial Services
HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ
| www.gov.uk/hm-treasury

Dear Sirs

As you will be aware the UK Government has today announced with regard to the implementation of the revised EU Payment Services Directive that they intend to ban all surcharges for payments by credit/debit card from January 2018.

The reason I am contacting you is that at Aberdeen City we have for some time had a 10% surcharge in our taxi fare structure for payments by debit or credit card. Our current taxi fare structure came into force on 23 January 2017, only after this was it brought to our attention that the 10% surcharge was now incompatible with current legislation. We were therefore in the process of amending out fare card and Taxi Licence conditions to ensure that operators only passed on any fee, as a surcharge to customers paying by card, which was no more than the fees directly charged to the trader for using that credit or debit card to take payment, in line with the regulations. As we would have to use the variation
procedure in paragraph 10 of Schedule 1 to the Civic Government (Scotland) Act 1982 to amend the conditions, to bring these changes into effect, we now have concerns about the timescale given the Government’s announcement. The initial report is going to our Licensing committee on 12 September and the licensing holders will be consulted and invited to attend the meeting on 7 November 2017. If the ban announced is actually going to come into force in January 2018 there may be no point in us proceeding with our planned course of action to change the conditions and we will just wait and scrap the surcharge with our next fare review which will coincide with the ban coming into place early next year.

I would be obliged if you could assist us at all in confirming whether this ban on surcharge payments will actually take effect from January 2018 or whether it is anticipated it won’t actually take effect till a later date.

Our report requires to be finalised and put out for consultation from 25 July so I would be very grateful for an early response.

Kind Regards

Lynn May

We are collecting feedback on our customer service so we would be grateful if you could take a couple of minutes to tell us how we did. Please use the link below to complete our short survey.

Lynn May
Solicitor
Licensing

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