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Until a recent class action settlement between the nation's largest retailers and biggest financial institutions, most credit card-issuing banks prohibited merchants accepting their cards from adding swipe fees on top of a customer's total. The fees are instead paid directly by merchants, and are usually 1.5 to 3 percent of a transaction.

The settlement, originally reached last July, was the culmination of seven year lawsuit that slowly made its way through the judicial system before being preliminarily approved by the U.S. District Court in New York last November. While further attempts at challenging the settlement have ensued, these appeals are focused on whether the \$7.3 billion financial settlement is appropriate.

As far as the resulting effects of the suit and Congressional action in 2011, however, financial institutions will no longer be able to bar retailers from passing on those fees directly to their customers. the details. But will they do it? Many retailers say no.

"I think you are going to see retailers being very hesitant to pass costs along to their customers," said Nancy Kyle, president of the Retail Merchants Association of New Hampshire. She added that it was unlikely that passing on the fees would become widespread her state and others that rely heavily on retail sales. The association's official stand on the issue is that merchants should have the right to "determine the pricing of their products, including taking into account payment type," and what types of payment methods they wish to accept.

For other retailers it might not be necessary, anyways, since legislatures in 10 states have adopted laws that prevent swipe fees altogether. In the 40 states and

Washington, DC, where swipe fees are allowed, consumers will need to keep an eye

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Consumer Action, an advocacy group, launched www.knowyourcard.org, a website focused on helping consumers better understand swipe fees and other changes associated with credit cards. The site notes that retailers are supposed to restrict passed-along swipe fees to the same fee they pay.

“Checkout fees can vary for different kinds of cards, such as rewards cards or premier cards, so be sure to ask your retailer in advance if different surcharges apply and choose your payment card accordingly,” said Consumer Action’s Director of National Priorities, Linda Sherry.

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