

## DLCA Warns Against Illegal Credit Card Surcharges on Debit, Prepaid, and Gift Cards

**The Department of Licensing and Consumer Affairs is warning businesses that surcharges on debit, prepaid, or gift card transactions are illegal under V.I. law, and violators may face fines, license sanctions, or legal action if found non-compliant.**

Business / **Published On June 13, 2025 08:12 AM /**

Staff Consortium **June 13, 2025**

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The V.I. Department of Licensing and Consumer Affairs is warning businesses and service providers across the territory against imposing unlawful credit card surcharges on transactions made with debit cards, prepaid cards, or gift cards.

According to the DLCA, such practices violate Title 12A V.I.C. §452, which makes it illegal for merchants to apply surcharges to these types of payment methods. The department said that under

applicable card network rules—specifically those of Visa and Mastercard—surcharges may be applied only to credit card purchases and even then, only under strict disclosure requirements and with appropriate pricing structures in place.

The DLCA is urging all businesses to familiarize themselves with network policies to ensure compliance. Both Visa and Mastercard prohibit surcharges on debit, prepaid, and gift card transactions. Detailed guidance can be found on their respective websites:

- [Visa Policy](#)
- [Mastercard Policy](#)

Commissioner Nathalie Hodge reinforced the DLCA's position, stating, “Consumers using their debit cards, even when processed ‘as credit,’ should never be charged an additional fee. Likewise, customers using prepaid or gift cards must not be penalized through unlawful surcharges.” She added that the department remains committed to protecting consumer rights and ensuring businesses comply fully with the law.

Businesses found in violation may face significant penalties, including fines, license sanctions, and even legal action. The DLCA emphasized its intent to continue monitoring merchant practices closely to ensure the fair and lawful treatment of all Virgin Islands consumers.

Consumers who believe they were wrongfully charged a surcharge on a debit, prepaid, or gift card transaction are encouraged to file a complaint with DLCA. Reports can be submitted online at [www.dlca.vi.gov](http://www.dlca.vi.gov), by contacting the DLCA Consumer Affairs Division at 340-713-3522 on St. Croix or 340-727-3303 on St. John, or by calling the DLCA Scam Line at 340-727-7226.