

At Petrol Pumps, No Extra Charge For Card Payments, Says Government

There will be no extra charge for card transactions at petrol pumps, the government decided today after petrol pump owners threatened to stop accepting cards.

"Consumers will not pay extra for digital transactions," Minister of State for Petroleum Dharmendra Pradhan said after a meeting. There would be no burden on retail fuel outlets as well, he added.

According to the minister, banks and oil firms are discussing who will bear the extra cost charged by banks on card payments for fuel.

After the government stepped in last night, petrol pumps deferred till January 13 their move to stop all credit and debit card transactions.

To promote cashless transactions after the notes ban on November 8, the government had waived the Merchant Discount Rate on fuel. But after the 50-day period that the government gave for the cash crunch to ease ended, the banks decided to resume the fuel surcharge.

This meant petrol pumps would have to pay one per cent on all credit card transactions and between 0.25 per cent and 1 per cent on all debit card transactions.

Besides causing discontent, the move was seen as a big potential setback for the government's efforts to push cashless transactions after the scrapping of Rs. 500 and 1,000 notes, which wiped out 86 per cent of the cash in circulation.

(NDTV)