

# THE STRAITS TIMES



Overreaction to kiss in musical



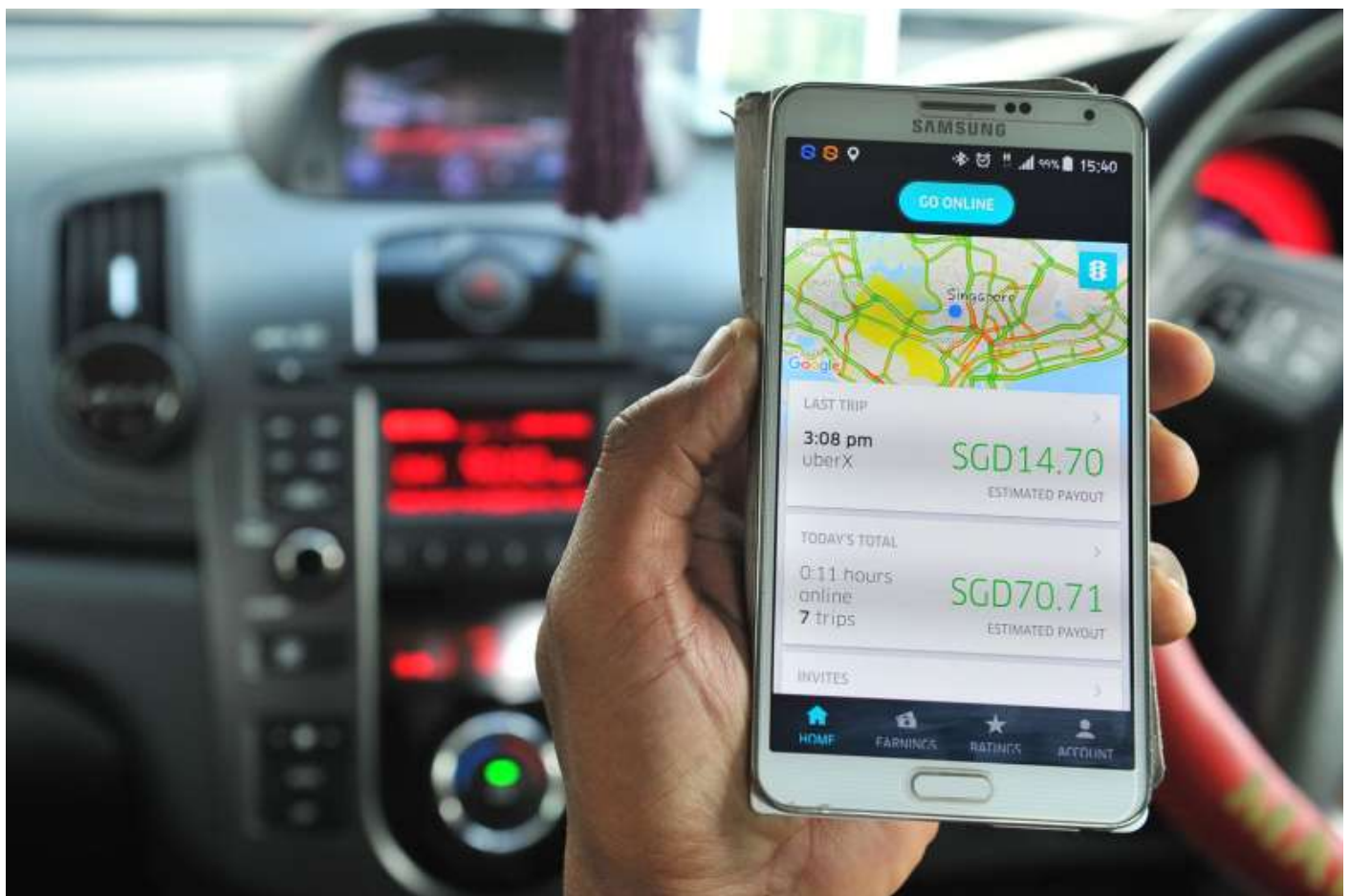
Maroon 5's Adam Levine, who



Body of Australian missing in Brazil

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## Riding with Uber? Read fine print on extra charges



Each Uber ride attracts an additional charge of about 1 per cent of the fare that does not show up on the receipt that Uber e-mails to passengers after the ride. The charge appears only on their credit-card statements. ST PHOTO: LIM YAOHUI

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Passengers may be paying extra fees as the credit-card payments are processed abroad

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## Toh Yong Chuan Senior Correspondent

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That Uber ride that you took may have cost you more than you think.

Although passengers pay for their rides here in Singapore dollars using locally issued credit cards, the payments are processed overseas, making them foreign transactions.

The little-known procedure attracts additional fees that do not show up on the receipts that Uber e-mails to passengers after the rides.

Instead, the extra charges - about 1 per cent of fares - appear only on the credit-card statements passengers receive from their banks, sometimes a month later. Uber accepts only credit cards, not cash.

Its spokesman Karun Arya noted that it is "common practice for multinational companies to run different parts of their operations in different parts of the world". The company and its payment processing facilities are based in the Netherlands.

### **What MAS and Case say**

The Monetary Authority of Singapore (MAS), which regulates financial transactions, finds nothing wrong with app-based taxi service Uber processing its payments outside of Singapore and passengers bearing the extra fees.

While the trip may have occurred here, "the ride is booked online through an application that is registered overseas", said an MAS spokesman.

"As a result, the credit-card company will impose an international transaction fee on the credit-card issuer, and the issuer may pass on the fee to the cardholder."

Meanwhile, the Consumers Association of Singapore (Case) has urged Uber to give an estimate of the bank charges to passengers when the bill is presented.

"The terms and conditions provided (by Uber) are not helpful to consumers at all in determining the final cost of the service, because the bank charges are not disclosed," said Case executive director Seah Seng Choon.

"Consumers who fail to read the terms and conditions will be in a worse position, as they will go away believing the bill shows the final fare when it does not."

The MAS has said that it will work with merchants like Uber, credit-card companies and banks to improve the disclosure of fees and charges.

### **Toh Yong Chuan**

"Some card-issuing banks may levy an additional fee on their customers for these international charges coming from Uber," he added.

Asked if Uber passengers are told about the charges, he pointed to the fine print on receipts that reads: "Fare does not include fees that may be charged by your bank."

But local banks and major foreign banks told The Straits Times that they do not impose the extra fees.

"The prevailing charges are imposed by the relevant (credit-card) schemes, and not the bank," said Ms Carol Alisha Chan, Standard Chartered Bank's corporate communications senior manager.

A DBS Bank spokesman said: "Credit-card processing networks charge around 1 per cent for these transactions, and this fee is billed to customers."

OCBC Bank's assistant vice-president for group communications Lim Zi Hao explained: "The fees are 0.8 per cent for Visa and 1 per cent for MasterCard. These fees, imposed by Visa and MasterCard, respectively, are for the additional cost associated with processing cross-border payments."

But Visa country manager for Singapore and Brunei Ooi Huey Tyng pushed the responsibility back to the banks, saying that it does not set or collect cardholder fees, and that "pricing structure" for foreign transactions is a matter between cardholders and their banks.

MasterCard Singapore's group head and general manager Deborah Heng also defended the 1 per cent that it charges banks for international transactions as "a global practice that is not unique to Singapore".

But the extra charges have annoyed some Uber passengers.

"The amount may be small, but it is not like I can avoid it because Uber accepts only credit-card payments," said businesswoman S.L. Chan, 45, who uses Uber about once a week.

For business development director Wei Chan, who uses Uber about 10 times a month, the issue is the lack of transparency.

"The Uber receipt shows one figure and the credit-card statement, another," said the 43-year-old who started noticing the higher charges last year. "Not everyone may check their credit-card statements so closely like me because the amount is small."

Rival app-based taxi service GrabCar processes its payments in Singapore and accepts cash.

At least one credit-card company is reviewing its charges.

Uber passengers in Singapore who use the American Express credit card issued by Citibank and Ez-Link now pay 0.4 per cent in foreign transaction charges.

An American Express spokesman said: "While the fee is part of the card issuer's terms and conditions, American Express now realises in some circumstances that it may not be clear and easily understood by consumers. We are in the process of removing this fee."

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