

Restaurants: Stop Charging Credit Card Fees

By Eric Faber, Founder & CEO of US Restaurant Consultants March 2026

Over the past few years, more and more restaurants have begun adding a credit card processing fee to the guest check—usually around 3% to 4%. It appears as a small line item on the bill, often labeled something like “CC Processing Fee” or “Non-Cash Adjustment.”

From a purely accounting standpoint, the reasoning is understandable. Credit card companies charge merchants interchange fees for processing transactions, and restaurants operate on notoriously thin margins.

But just because something makes sense on a spreadsheet doesn’t mean it makes sense in hospitality.

In my opinion, restaurants should stop charging credit card fees and instead build those costs into their pricing like every other expense of running a business.

Because in the end, the issue isn’t just about math. It’s about guest experience, perception, and the fundamentals of hospitality.

Credit Card Fees Are Simply a Cost of Doing Business

Every restaurant has operating costs.

We pay for rent, utilities, insurance, linens, POS systems, equipment repairs, pest control, software subscriptions, and a hundred other expenses that never appear on a guest’s bill.

Credit card processing is simply one more cost of doing business in a modern restaurant.

Today, most guests expect to pay with a card. Many don’t even carry cash anymore. Digital payments are not a luxury—they are the norm.

And yet restaurants don’t list line items like:

- “Electricity Fee – 1.2%”
- “Refrigeration Surcharge – \$0.80”
- “Dishwasher Chemical Fee – \$0.45”

Those costs are simply built into the price of the food and beverage being sold.

Credit card processing should be treated the same way.

Separate Fees Create Friction in the Guest Experience

Hospitality is about removing friction, not adding it.

When guests sit down for dinner, they are expecting a seamless experience. They choose a restaurant because they trust the establishment to provide good food, good service, and a fair price.

But when an unexpected surcharge appears on the bill, it disrupts that experience.

A guest who thought dinner would cost \$100 suddenly sees \$103 or \$104 instead. It's a small difference financially, but psychologically it can feel like a bait-and-switch.

The server now has to explain the policy. The guest feels mildly annoyed. The final moment of the dining experience becomes awkward.

For an industry built on hospitality, that's the wrong place to create tension.

Customers Dislike Line-Item Fees

Behavioral economics tells us something important about how people perceive pricing.

Consumers react far more negatively to separate fees than they do to inclusive pricing.

If a restaurant raises the price of a burger from \$18 to \$19, most guests barely notice.

But if the burger stays \$18 and a 3% credit card surcharge appears on the bill, many customers feel irritated—even though the total cost may be almost identical.

The perception of being “nickel-and-dimed” can leave a lasting impression, and not a positive one.

In hospitality, perception matters as much as reality.

It Sends the Wrong Signal

Another issue with credit card surcharges is the message they send.

When a restaurant itemizes small operational expenses to guests, it can unintentionally signal financial stress or penny-pinching.

That perception may not reflect reality, but it can influence how customers view the brand.

Strong restaurants project confidence in their pricing. They price their menus appropriately, deliver value, and let the guest focus on enjoying the experience.

When pricing is straightforward, guests rarely question it.

Simplicity Builds Trust

One of the most underrated elements of hospitality is **simplicity**.

Guests should understand what something costs before they order it.

When the menu price is the real price, it builds trust. There are no surprises at the end of the meal.

That clarity allows guests to relax and enjoy themselves—which is exactly what a restaurant should be trying to create.

The more complicated a bill becomes, the more transactional the experience begins to feel.

Restaurants are not supposed to feel like utility invoices.

Price the Product Correctly

None of this is to dismiss the very real financial pressures restaurants face.

Food costs are rising. Labor costs are rising. Insurance, rent, and compliance costs continue to increase.

Margins are tight, and operators must constantly find ways to stay profitable.

But the solution isn't to create a new category of fees.

The solution is simply to price the product correctly.

If credit card processing adds roughly 3% to operating costs, then build that into the menu price along with every other expense required to run the business.

Most guests will never notice.

What they will notice is a fee on the bill that wasn't obvious when they sat down.

Hospitality First

Restaurants are not just businesses—they are places people go to celebrate, gather, relax, and connect.

The details of how a restaurant handles pricing may seem small, but they shape how guests feel about the experience.

In the long run, the restaurants that win are the ones that make dining feel effortless.

That means removing friction wherever possible.

Credit card fees may solve a small accounting problem, but they create a hospitality problem.