



Driver and Vehicle Licensing Agency
Head of Data Sharing Policy & FOI Team – D16
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Your Ref
Our Ref FOIR2808

Date: 7 February 2012

Freedom of Information Request

Thank you for your e-mail of 16 January requesting information under the terms of the Freedom of Information Act 2000(FOIA).

You asked:

How much it costs to process a credit card payment.

DVLA only applies a credit card charge for on line Vehicle Excise Duty (VED) transactions. The cost of processing credit and debit card transactions is dependent on the type of card used and the value of the transaction. The average cost paid by DVLA per transaction for processing a credit card payment for VED ranges from £1.87 to £4.65.

DVLA fees and charges are set at a level to cover total full costs (no more and no less), over the totality of transactions, year on year. This approach complies with the principal of charging at full cost as set out in fees and charges guidance in HM Treasury's Managing Public Money available on their website at http://www.hm-treasury.gov.uk/psr_mpm_index.htm The appropriate part of Managing Public Money can be found at Chapter 6: Fees, charges and levies.

DVLA introduced the option to pay for VED via credit card during 2004-05. In order to cover the additional costs of processing credit card payments DVLA brought in a convenience charge of £2.50. The decision to introduce the fee was made following a full public consultation with the flat fee being preferred to a number of other options, including a percentage charge. The flat fee was considered easier for customers to understand exactly how much they would pay in advance if they decided to tax their vehicle using a credit card and was also cheaper and simpler to administer than other options.

Without the £2.50 fee, DVLA would not be able to offer the customer the additional flexibility to pay their VED by credit card if they choose. Customers continue to have the option to use an alternative payment method for which no convenience charge is applied.

The information which follows concerns the copyright conditions that apply to any information provided by the Agency and the procedures for making any complaint you might have about the reply. Please quote the reference number of this letter in any future communications about it.

Yours sincerely

Head of Data Sharing Policy & Freedom of Information Team

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If you are unhappy with the way in which your request for information has been handled, about the decision not to disclose all or part of the information requested and/or that the DVLA has not complied with its FOI publication scheme, you have the right to complain within two calendar months of the date of this letter. You may complain by writing to the Freedom of Information Team, DSPG/FOI, D16, DVLA, Swansea, SA6 7JL or e-mail foi@dvla.gsi.gov.uk.

Your complaint will be acknowledged and you will be advised of a date by which you should have received a response. Initially, your complaint will be re-considered by the official who dealt with your request for information. If, after careful consideration, that person decides that his/her decision was correct, your complaint will automatically be referred to an independent official who will conduct a further review (an Internal Review). You will be advised of the outcome of your complaint and if a decision is taken to disclose information originally withheld this will be done as soon as possible.

If you are not content with the outcome of the Internal Review, you have the right to apply directly to the Information Commissioner for a decision by writing to the Information Commissioner's Office, Wycliff House, Water Lane, Wilmslow, Cheshire, SK9 5AF.