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Credit Card Convenience Fees: What Law Firms Need to Know

Katie Langer · Friday, December 12th, 2025

We've talked before about the [benefits of embedded payments in legal billing solutions](#). This critical feature streamlines billing and payment workflows, handles payments and reconciliations within one system, allows for funding separate accounts, reduces errors, and saves time. And perhaps most important, it enables clients to pay directly from a digital invoice, making it easier for them to do business with you so you get paid faster.

When clients choose to pay with a credit card, however, that payment comes with a cost to your firm. Processing fees can chip away at profitability, forcing you to decide whether to absorb those costs or pass them along.

Credit card convenience fees offer one solution to compensate for card processing fees, but they're governed by a patchwork of state laws that can make compliance tricky. Understanding where the fees are allowed and how to implement them correctly will help you stay compliant while protecting your bottom line.

In this article you'll learn how payment processing works for law firms, how credit card convenience fees function, when they're lawful, what state laws your firm must watch, and best practices for implementing them effectively.

What Are Credit Card Convenience Fees?

A credit card convenience fee is an additional fee that is added to a transaction when a client pays with a credit card. It's designed to offset the cost of credit card processing fees, which typically range from 2% to 3% of the transaction total.

Be aware that credit card networks, such as Visa and Mastercard, have rules and limitations

for convenience fees, including:

- The credit card convenience fee maximum is 3% for Visa and 4% for Mastercard.
- Convenience fees must be clearly disclosed on invoices or payment pages.
- Convenience fees cannot be applied to debit or prepaid card transactions.

State Laws on Credit Card Convenience fees: Are They Legal?

Credit card convenience fees are legal in most states, but not all. And some states that allow convenience fees have specific rules to follow. Your law firm may operate across state lines, handle clients located in different jurisdictions, or accept payments from clients residing in other states, so you cannot assume one-size-fits-all for convenience fees.

Note: Convenience fee laws change frequently and often are subject to litigation. Stay updated and verify convenience fee laws directly with your state.

States and territories where convenience fees are illegal

As of November 2025, convenience fees are not allowed in:

- Connecticut
- Maine
- Massachusetts

- Puerto Rico

States where convenience fees are legal, but with contingencies

As of November 2025, convenience fees are allowed, with contingencies, in:

California Nevada
Colorado New Jersey
Florida New York
Georgia Oklahoma
Kansas Texas
Minnesota Wyoming
Nebraska

Contingencies can include allowing surcharging up to a certain percentage, prohibiting convenience fees from exceeding the merchant's cost of card processing, and others. Check with the state to understand all rules and regulations.

Convenience Fee Compliance Considerations for Law Firms

Remaining compliant with convenience fee laws goes beyond states' rules. The decision to charge fees may intersect with ethics rules regarding reasonable fees, client disclosure, billing practices, and data security responsibilities.

Furthermore, law firms that accept credit card payments must comply with the Payment Card Industry Data Security Standard (PCI DSS). These standards are designed to protect sensitive cardholder data by requiring secure payment processing, encrypted transmission, and restricted access to payment information.

Centerbase Payments, powered by Stripe, is PCI DSS Level 1 compliant (the highest level of certification) ensuring that all client transactions are processed securely without firms needing to manage compliance directly.

Because Centerbase Payments is fully embedded in the Centerbase platform, law firms don't handle or store card data directly, which significantly reduces their PCI scope and compliance burden.

Best Practices for Implementing Credit Card Convenience Fees

For most law firms, deciding whether to add a convenience fee to credit card payments depends on balancing financial efficiency, client satisfaction, and compliance. Before you decide, evaluate both the cost-benefit impact and the operational complexity of implementing a convenience fee program.

Start by considering these key factors:

- **Financial impact:** How much do card fees erode your margins, and will convenience fees make a meaningful difference?
- **Client perception:** Will a convenience fee affect client relationships, and are you providing a no-fee alternative?
- **Compliance obligations:** Are convenience fees allowed in every jurisdiction where your firm or clients are based?
- **Operational readiness:** Can your billing system support convenience fees automatically and compliantly?

Before your firm enables convenience fees, take these best-practice steps to ensure a smooth rollout:

1. **Review state laws** – Confirm that convenience fees are permitted and understand any restrictions, such as caps or percentage maximums.

2. **Follow card network rules** – Notify card networks of your intent to charge a convenience fee, review point-of-transaction disclosure requirements, and understand all limitations.
3. **Disclose clearly** – Include convenience fee information on invoices, receipts, and your payment portal.
4. **Train staff** – Educate billing teams on how to explain the purpose of convenience fees to clients.
5. **Offer alternatives** – Provide ACH or eCheck options for clients who prefer to avoid fees.
6. **Monitor and report** – Use Centerbase’s reporting tools to track payments, reconcile accounts, and document compliance.

These actions not only protect your firm but also ensure a positive client experience that aligns with transparency and professionalism.

Why an Embedded Payments Solution Simplifies Credit Card Convenience Fees

Managing convenience fees manually can be error-prone and time-consuming, especially when your billing and payments systems are separate. An embedded payments solution like Centerbase Payments integrates payments directly into your legal billing platform and allows you to:

- **Choose whether to pass a convenience fee** to clients.
- **Apply payments automatically** to the correct client matter or ledger.
- **Generate journal entries** for transaction fees within Centerbase.
- **Track the entire payment lifecycle** from invoice to payout in real time.

This seamless experience helps firms [get paid up to 20% faster](#) while maintaining full compliance and client satisfaction.

Credit card convenience fees can be a smart way for your firm to offset rising processing costs, but only if they're implemented correctly. Understanding the laws governing convenience fees and using technology that automates compliance can save your firm time, reduce risk, and preserve your clients' trust in you.

Resources

- [Visa Core Rules and Visa Product and Service Rules](#)
- [Mastercard Merchant Surcharge Rules](#)

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