

REVIEWED

By Chris Tighe at 10:53 am, Apr 12, 2016

[f Like](#)
[Share](#)
[61](#)
[T](#)
[G+](#)
[P](#)
[A](#)

Don't be tricked by gas station cash discounts

Not paying attention could leave you paying more at the pump

Published: August 09, 2013 09:00 AM



Some gas stations offer discounts for customers who use cash instead of credit. But if you're not paying attention, those discounts could leave you paying more to fuel up.

For example, one Consumer Reports editor recently used her credit card to buy gas at a Long Island, N.Y., station, not realizing that the price she thought she was being charged was based on a cash discount of a whopping 70 cents per gallon. She ended up paying nearly \$13 more for the 18.5-gallon purchase than she would have had she used cash. We've seen reports of other consumers unintentionally paying more as well.

While the difference between the cash and credit prices at gas stations typically is much lower—about 5 to 10 cents a gallon, according to the National Association of Convenience Stores—there have been [reports about stations' charging credit card customers as much as \\$1 more per gallon than those paying with greenbacks.](#)

Station owners who offer cash discounts point out that when accepting credit cards, they're charged bank fees, which average about 2 percent of the cost, or eight cents a gallon when gasoline is \$4. (For debit cards, they're charged an average of 24 cents for the entire transaction—although that could be lowered as a result of a [federal court decision](#) in July). While 10 states prohibit stations from passing on that cost to credit card customers in the form of price surcharges, stations are permitted to offer cash discounts, even though, from a consumer perspective, it probably doesn't make a difference whether it's called a surcharge or discount.

For more tips, learn [how to save money on gas](#).

What to do

- **Comparison shop.** No matter how you're paying, shop around for the best price. Just because a station is offering a cash discount doesn't necessarily mean its cash price is the lowest amount or its credit price the highest. Unfortunately, you'll probably have to drive around to compare. Websites that report gas prices, at least the ones we checked, didn't indicate whether prices are for cash or credit or whether a station has a one-price strategy.
- **Pay attention.** If you're using a credit, don't blindly buy gas at a station because you see what seems like an incredibly low price. Check the prices carefully to make sure that's not a cash-only price. In some states, stations that offer a cash discount must display the higher, credit price at least as prominently as the discounted one.
- **Do the math.** If you're using a cash-back credit card, such as the [PenFed Platinum Cash Rewards Visa Card](#) that returns 5 percent on gas purchases, you need to do some calculating. At 5 percent back on \$4 gasoline, the rebate translates to 20-cents a gallon. If a station's credit price is 10 cents higher than for cash (or \$4.10 a gallon), using your card—after taking into account the rebate—would leave you paying a hair under \$3.90 a gallon, compared to \$4 a gallon with cash. So on a 20-gallon purchase, you'd still be a little more than \$2 ahead using your card.
- **Check debit card prices.** Some stations give debit card customers a discount, but in most cases, if you're using debit, you should expect to pay the credit price. But check.
- **Carry enough cash.** Unless you're set on using your credit card (perhaps for record keeping), carrying some cash can help you take advantage of a cash-discount price that's especially low compared to prices at other stations.
- **Complain.** If you mistakenly end up paying more because you used your credit card at a station with a cash discount, trying complaining. There's nothing to lose, and it worked for our editor. When she returned to express her outrage about the 70 cent price difference, the station gave her additional gas to make up the extra amount she paid using her credit card during her previous visit.

—Anthony Giorgianni

For more news and articles about personal finance, subscribe to [our feed](#).

E-mail Newsletters

FREE e-mail Newsletters! Choose from cars, safety, health, and more!

 Your e-mail Address

Already signed-up?
Manage your newsletters here too.

Money News



Prepaid Cards Are Getting Better



How to Decode a College Financial Aid Award Letter



Selling It



Virtual Reality Gets More Real With New IKEA App



New Rule Says Financial Advisers Must Act In Your Best Interest

Interest

Read More

Connect

Discuss products and safety with subscribers and fans

Follow us on:



Cars



Build & Buy Car Buying Service
Save thousands off MSRP with upfront dealer pricing information and a transparent car buying experience.

[See your savings](#)

Mobile



Get Ratings on the go and compare while you shop

[Learn more](#)

Consumer Support

- [My Account](#)
- [Customer Care](#)
- [Report a Safety Problem](#)
- [Career Opportunities](#)

About Us

Donate

Our Site

- [A-Z Index](#)
- [Product Index](#)
- [Car Index](#)
- [Video Index](#)
- [Site Features](#)
- [Canada Extra en Español](#)
- [Press Room](#)

Products & Services

- [Build & Buy Car Buying Service](#)
 - [United States](#)
 - [Canada](#)
- [Books & Magazines](#)
- [Mobile Apps](#)
- [National Car Prices](#)

Our Network

- [Consumers Union](#)
- [Consumerist](#)
- [Consumer Health Choices](#)



[View Recent & Past Issues](#)

