Merchant Fees (Discover) — Settlement Summary

Last Modified on 11/24/2026 11:02 am EST

Discover Card Merchant Class Action Settlement (Merchant Fees)

Summary

Three related class action lawsuits allege that Discover Financial Services misclassified certain consumer credit cards as commercial credit cards beginning in 2007, causing merchants, merchant acquirers, and payment intermediaries to pay excessive interchange fees. A class action settlement has been reached and received final court approval on May 20, 2026. The claim filing deadline has passed; the Settlement Administrator is currently processing submitted claims and will send Determination Notices to eligible claimants on December 21, 2026, with payments expected on or around March 2, 2027.

Announcements

- **Claim Filing Deadline Has Passed:** The Court-approved claim filing deadline was **May 18, 2026**. No new claims are being accepted at this time.
- **Final Approval Granted:** On May 20, 2026, the Court held a Final Approval Hearing and granted final approval of the Settlement. The Final Approval Order and Final Judgment are available on the settlement website's Documents page.
- **Determination Notices Scheduled for December 21, 2026:** Determination Notices will be sent on **December 21, 2026** to class members that filed timely, valid claims. Notices will be sent via email to portal users and via U.S. Mail to those who filed paper claims.
- **Reevaluation Request Deadline — February 5, 2027:** If a claimant believes there are inaccuracies with their determination, they may submit a Reevaluation Request and supporting documents no later than **February 5, 2027**.
- **Payments Expected On or Around March 2, 2027:** For most claimants, payments are expected to issue on or around **March 2, 2027**.
- **Exclusion and Objection Deadlines Have Passed:** The deadline to opt out or object to the settlement was **March 25, 2026**.

Settlement Amount

The total settlement fund amount is not explicitly stated on the settlement website pages reviewed. Payment amounts will be calculated on a claimant-by-claimant basis using a methodology detailed in the Long Form Notice and Settlement Agreement, accounting for factors such as the total estimated interchange fee overcharge per Discover merchant identifier (MID), how charges were allocated among Merchant Acquirers, Payment Intermediaries, and End Merchants associated with each MID, and the total aggregate dollar amount of all settlement payments. Per-claimant estimates are not yet available.

Class Period

January 1, 2007 through December 31, 2023.

Filing Deadline

The filing deadline of May 18, 2026 has passed. No new claims are being accepted. Merchant Acquirers were required to provide additional information by November 12, 2025, and Payment Intermediaries by February 25, 2026. Claimants with existing claims who receive deficiency notices must respond promptly to avoid denial of their claims.

Who Qualifies

The Settlement Class is defined as: *All End Merchants, Merchant Acquirers, and Payment Intermediaries involved in processing or accepting a Misclassified Card Transaction during the period from January 1, 2007 through December 31, 2023.*

There are three broad categories of Settlement Class Members:

- **End Merchants:** Any individual or business entity that, during 2007–2023, accepted a Discover Bank-issued credit card directly from a person as payment in exchange for goods or services. End Merchants may have contracted directly with Discover or through a third party. There are four sub-types:
  - Indirect End Merchant
  - Inactive Direct End Merchant
  - Managed Active Direct End Merchant
  - Unmanaged Active Direct End Merchant
- **Merchant Acquirers:** Business entities that, during 2007–2023, had an agreement with Discover to facilitate Discover credit card transactions and were characterized by Discover's rules and regulations as an "Acquirer."
- **Payment Intermediaries:** Business entities that, during 2007–2023, processed Discover credit card transactions on behalf of other businesses, but that are neither an End Merchant nor a Merchant Acquirer.

Eligibility is tied to involvement in a **Misclassified Card Transaction** — a Discover credit card transaction in which, at the time of processing, the credit card account was classified by Discover Bank as a "commercial" credit card but should have been classified as a consumer credit card (i.e., a "rewards," "premium," or "premium plus" card).

Note: Only transactions subject to United States pricing are included. Claimants who processed international transactions should consult their merchant services agreement to determine the applicable pricing model.

Who Is Excluded

Certain individuals and entities listed on **Exhibit A to the Settlement Agreement** are excluded from the Settlement Class. The settlement website does not reproduce the full exclusion list inline; the Settlement Agreement (available on the Documents page of the settlement website) should be consulted for the complete list.

How to File

The claim filing deadline of May 18, 2026 has passed, and no new claims are being accepted. The following information is provided for reference regarding the process for existing claimants managing their submitted claims.

- **Check your MIDs:** Claimants can log in to the settlement portal at *www.DiscoverMerchantSettlement.com* using their registered email address and password to view the Discover merchant identifier codes (MIDs) associated with their business via the "My Claims" page.
- **Respond to deficiency notices:** If the Settlement Administrator sends a claim deficiency notice or a request for proof of authority, claimants must take immediate corrective action. Failure to respond may result in denial of the claim.

- **Correct or supplement MID information:** In the claimant portal, claimants can submit documents and information to correct or add MIDs by navigating to "My Claims," selecting the relevant Claim ID, and using the link to provide additional information about missing acceptance locations or related MIDs.
- **Await Determination Notice:** Determination Notices will be sent on December 21, 2026 to claimants who filed timely, valid claims. The notice will include the claimant's payment amount. If a claimant believes there are inaccuracies, they may submit a Reevaluation Request and supporting documents no later than **February 5, 2027**.
- **Payments expected on or around March 2, 2027** for most claimants.
- **Contact the Settlement Administrator with questions:**
  - Phone: 1-888-655-3176 (Toll-Free), Monday–Friday, 9:00 a.m. – 8:00 p.m. EST (excluding recognized holidays)
  - Email: info@DiscoverMerchantSettlement.com
  - For large MIDs list errors: 1-877-535-8067 or DirectServices@DiscoverMerchantSettlement.com
  - Mail: Discover Card Merchant Settlement, c/o Epiq Class Action, P.O. Box 2497, Portland, OR 97208-2497

Defendants

- **Discover Financial Services**
- **DFS Services LLC**
- **Discover Bank**

The lawsuits allege that, beginning in 2007, the Discover defendants misclassified certain Discover-issued consumer credit cards (specifically "rewards," "premium," or "premium plus" cards) as commercial credit cards. This misclassification allegedly caused merchants, merchant acquirers, and payment intermediaries to be charged excessive interchange fees on those transactions. Discover denies all claims, and the Court did not make a determination of wrongdoing.

Case History

- **2007:** Alleged misclassification of Discover consumer credit cards as commercial cards begins (per the complaints).
- **2023:** Three related class action lawsuits filed in the U.S. District Court for the Northern District of Illinois:
  - *CAPP, Inc. v. Discover Financial Services*, Case No. 1:23-cv-04676
  - *Lemmo's Pizzeria, LLC v. Discover Financial Services*, Case No. 1:23-cv-14250
  - *Support Animal Holdings, LLC v. Discover Financial Services*, Case No. 1:23-cv-15297
- **December 31, 2023:** End of the class period for alleged misclassified card transactions.
- **November 12, 2025:** Deadline for Merchant Acquirers to provide additional required information.
- **February 25, 2026:** Deadline for Payment Intermediaries to provide additional required information.
- **March 25, 2026:** Deadline for class members to opt out of or object to the settlement (passed).
- **May 18, 2026:** Court-approved claim filing deadline (passed). No new claims accepted.
- **May 20, 2026:** Final Approval Hearing held; Court granted final approval of the settlement and entered Final Judgment.
- **December 21, 2026:** Determination Notices to be sent to claimants who filed timely, valid claims.
- **February 5, 2027:** Deadline for claimants to submit a Reevaluation Request if they believe their determination contains inaccuracies.
- **On or around March 2, 2027:** Payments expected to issue for most claimants.

Source

- Home Page: https://www.DiscoverMerchantSettlement.com

- Important Dates: https://www.DiscoverMerchantSettlement.com (Important Dates page)
- Documents: https://www.DiscoverMerchantSettlement.com (Documents page)
- FAQs: https://www.DiscoverMerchantSettlement.com (FAQs page)
- Contact: https://www.DiscoverMerchantSettlement.com (Contact page)

Last Updated

2026-11-24

Reviewer Flags

- **Changes from previous version:**
  - **Summary updated:** Replaced "expects to issue payment allocation notices in late 2026" with specific dates: Determination Notices on December 21, 2026, and payments expected on or around March 2, 2027.
  - **Announcements section updated:** Replaced the prior "Deficiency Notices Being Sent" and "Payment Allocation Notices Expected Late 2026" bullets with three new, more specific bullets: Determination Notices scheduled for December 21, 2026; Reevaluation Request deadline of February 5, 2027; and payments expected on or around March 2, 2027.
  - **How to File updated:** The "Await determination notice" bullet was revised to reflect the specific December 21, 2026 Determination Notice date, the February 5, 2027 Reevaluation Request deadline, and the March 2, 2027 expected payment date.
  - **Case History updated:** Replaced the prior "Late 2026 (expected)" bullet with three specific dated entries: December 21, 2026 (Determination Notices); February 5, 2027 (Reevaluation Request deadline); and on or around March 2, 2027 (payments expected).
  - **Last Updated date changed** from 2026-09-22 to 2026-11-24.
  - **Reviewer flag for site footer date updated:** Site footer now reads 11/20/2026 (previously 09/14/2026).
- **Settlement Amount Not Disclosed:** None of the five source pages states a total settlement fund dollar figure. The article notes this gap. Reviewer should check the Settlement Agreement document (linked on the Documents page) or press releases for the total fund amount, as this is critical for FRS client communications.
- **Potential Contradiction — Claim Filing Deadline vs. Settlement Amount Availability:**The claim filing deadline has passed (May 18, 2026) and final approval has been granted (May 20, 2026), yet the total settlement amount is nowhere published on the settlement website. This is unusual at this stage of a settlement and may indicate the fund is structured as a claims-made or formula-based settlement rather than a fixed common fund. FRS staff should verify this with the Settlement Agreement or class counsel filings.
- **Source pages for key sections:**
  - Summary, Announcements (current status), Who Qualifies, Defendants, Settlement Class Definition: Home Page
  - Filing Deadline, Exclusion/Objection Deadlines, Final Approval Hearing date: Important Dates page
  - How to File (MID management, deficiency notices, determination process), FAQ definitions, international transactions note, payment calculation methodology: FAQs page
  - Available settlement documents list: Documents page
  - Contact information: Contact page and footer present on all pages
  - Determination Notice date (December 21, 2026), Reevaluation Request deadline (February 5, 2027), and payment expected date (March 2, 2027): Home Page (Current Status section)
- **Excluded Parties:** The settlement website does not reproduce Exhibit A (the exclusion list) inline. FRS staff seeking to determine if a specific client is excluded should consult the Settlement Agreement document available on the Documents page.
- **Site last updated per footer:** 11/20/2026 — content reviewed is current as of that date.