

Dexter Pay Authorization Hold Policy

Understanding the \$25 Authorization Hold

When you use Dexter Pay, you may notice a temporary \$25 authorization hold on your payment method. This policy explains what this hold is, why it exists, and how it affects your account.

What is an Authorization Hold?

An authorization hold is a temporary hold placed on your credit card, debit card, or bank account to verify that funds are available before processing your transaction. **This is not a charge** — it's a temporary reserve that will be released back to you.

Key Details About the \$25 Initial Authorization Hold

Initial Authorization Amount: \$25.00 USD

When It Occurs: The hold is placed when you initiate a transaction using Dexter Pay

Purpose:

- Verifies your payment method is valid and active
- Ensures sufficient funds are available for your ongoing transactions
- Protects against fraud and unauthorized use
- Complies with standard payment processing protocols

Duration: If you do not spend the full \$25 authorization amount, the unused balance will be returned by your bank in approximately 3 days

Final Charge: You will only be charged for the actual amount of your purchases or services. Any unused authorization hold amount will be released separately.

How It Works: Step by Step

1. **You initiate a transaction** through Dexter Pay
2. **A \$25 initial authorization hold is placed** on your payment method for verification
3. **You make purchases or incur charges** against this authorization
4. **If you spend less than \$25:** The unused balance is returned by your bank in approximately 3 days, and you are only charged for what you actually spent
5. **If you spend more than \$25:** The system will re-authorize your account (see Re-Authorization section below)
6. **Final settlement:** You are only charged for your actual transaction amounts

Understanding Re-Authorization

If your spending exceeds the initial \$25 authorization amount, Dexter Pay will automatically re-authorize your payment method to ensure you have sufficient funds available to complete your transactions.

When Re-Authorization Occurs:

When your accumulated charges reach the maximum spending limit set by the merchant

How Re-Authorization Works:

- The system will place a new authorization hold for the re-authorization amount
- This new hold is placed **in addition to** the previous authorization amount
- Both holds remain active to ensure funds are always available

Important: Each re-authorization is subject to applicable transaction fees and convenience fees

Example of Re-Authorization:

- Initial authorization: \$25.00 held
- You spend: \$25.00 (reaching the threshold)
- Re-authorization triggered: Additional \$25.00 held
- Total temporarily held: \$50.00
- You spend an additional: \$10.00
- Final charge: \$35.00 (your actual spending)

- Amount returned: \$40.00 (unused authorization amounts, released in ~3 days)

Important Information

Will I be charged twice?

No. Authorization holds are not charges. You will only pay for your actual transaction amounts. All unused hold amounts will be returned to your account.

When will the hold be released?

Unused authorization amounts are typically returned by your bank in approximately 3 days after your final transaction is complete. Dexter Pay releases holds immediately after transaction completion, but your bank controls the timing of when you see it reflected in your account.

What if my transaction is less than \$25?

You will only be charged your actual transaction amount. The unused portion of the \$25 hold will be returned by your bank in approximately 3 days.

What if my spending exceeds \$25?

The system will automatically re-authorize your account to ensure sufficient funds are available. This re-authorization will place an additional hold on your payment method. **Important:** Re-authorizations are subject to transaction fees and convenience fees.

How many times can my account be re-authorized?

Your account may be re-authorized multiple times if your spending continues to exceed the authorization limits. Each re-authorization incurs additional fees.

Can I avoid the hold or re-authorization fees?

The initial authorization hold is a standard requirement for all Dexter Pay transactions. Re-authorization occurs automatically when spending exceeds the threshold and cannot be avoided if you continue making purchases beyond the initial authorization amount.

What if I don't have sufficient funds available?

Ensure you have both your anticipated transaction amounts plus additional funds to cover authorization holds. If insufficient funds are available during initial authorization or re-authorization, your transaction may be declined.

Why are there fees for re-authorization?

Each re-authorization is processed as a new transaction by your financial institution and Dexter Pay's payment processor, which incurs standard transaction and convenience fees.

Example Scenarios

Scenario 1: Spending Less Than Initial Authorization

- **Initial authorization hold:** \$25.00
- **Your actual spending:** \$15.00
- **Temporary hold on statement:** \$25.00
- **Final charge:** \$15.00
- **Amount returned:** \$10.00 (unused authorization, released in ~3 days)

Scenario 2: Spending That Triggers Re-Authorization

- **Initial authorization hold:** \$25.00
- **Your spending reaches:** \$25.00 (triggers re-authorization)
- **Re-authorization hold added:** \$25.00
- **Total temporarily held:** \$50.00
- **You continue spending to:** \$40.00 total
- **Final charge:** \$40.00 + re-authorization fees
- **Amount returned:** \$35.00 (unused authorization amounts, released in ~3 days)

Note: Re-authorization fees vary based on your transaction type and payment processor rates.

Managing Your Spending

To help you avoid unexpected re-authorizations and additional fees:

- **Monitor your spending** as you make purchases through Dexter Pay
- **Be aware of the \$25 threshold** - once your spending approaches this amount, re-authorization will occur

- **Ensure sufficient funds** are available in your account to cover both purchases and authorization holds
- **Consider completing your transaction** before reaching the re-authorization threshold if you want to avoid additional fees
- **Check with the merchant** about current authorization amounts and re-authorization thresholds

Need Help?

If you have questions about authorization holds, re-authorization fees, or notice a hold hasn't been released after 7 business days, please contact:

Dexter Pay Customer Support

Phone: [641-209-8176](tel:641-209-8176)

Or contact your financial institution directly to inquire about the hold status and release timeline.

Note: Authorization hold timeframes are controlled by your bank or card issuer, not by Dexter Pay. We release all holds immediately upon transaction completion. Unused authorization amounts are typically returned by banks in approximately 3 days, though some financial institutions may take longer.