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## **Canadian Government Recommends Credit Card Swipe Fee Reform Sought by American Main Street Businesses**

### ***Canadian Senate Report Calls for Transparency and Direct Negotiation to Give Small Businesses and Their Customers a Fair Shake***

An [exhaustively researched report released yesterday by the Canadian Senate](#) concludes that the current credit card swipe fee system is in need of significant reform, recommending the same moves towards **transparency** and **direct negotiation** that American Main Street businesses are calling on their Congressional representatives to support. Swipe fees, also known as “interchange,” are the fees merchants are charged every time they run a customer’s credit card.

The report, issued by the Canadian Senate Committee on Banking, Trade and Commerce, comes after **months of testimony** from merchant and consumer groups, credit card companies, and Canada's largest financial institutions, among others.

“The Committee believes that the Canadian credit card market **needs improvement and clarity**,” states the report in its conclusions. “Moreover, the relative power of the participants in the credit card payment system is **unequal**. We accept, to a great extent, the argument that most **merchants lack the individual bargaining power needed** to negotiate on an equal basis with other participants in the payment system... The end result of higher interchange rates is **higher costs** for merchants and **higher retail prices** for consumers.”

The report concludes that Visa, MasterCard, and the banks should **disclose their secret credit card swipe fees** – the biggest credit card fee of all in both Canada and the U.S. – to consumers and that merchants should be permitted to **negotiate directly** with Visa and MasterCard member banks to lower credit card swipe fees.

The report’s recommendations mirror those sought by hundreds of thousands American business owners and their customers who are being **crippled by billions of dollars in fees** charged every time a customer uses a credit card to pay. Current bills in Congress include the **Credit Card Fair Fee Act (H.R. 2695/S. 1212)**, which would allow merchants to negotiate for fairer swipe fees, and the **Credit Card Interchange Fees Act (H.R. 2382)**, which would bring transparency and competition to the swipe fee system.

The **Merchants Payments Coalition** is a group of retailers, supermarkets, drug stores, convenience stores, fuel stations, on-line merchants and other businesses who are fighting against **unfair credit card fees** and fighting for a more **competitive and transparent** card system that works better for consumers and merchants alike. The coalition’s member associations collectively represent about **2.7 million stores** with approximately **50 million employees**.

The full report can be read at <http://www.parl.gc.ca/40/2/parlbus/commbus/senate/com-e/bank-e/rep-e/rep04Jun09-e.pdf>.

For more information, please visit <http://www.UnfairCreditCardFees.com>.

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