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Contact: Taylor West
(202) 261-2382

Durbin-Bond Consumer Discount Amendment Opens First Front in Fight to Rein in Huge, Hidden Credit Card “Swipe” Fees

Bipartisan Push to Allow Consumer Discounts Is Attacked by Big Banks

Washington, DC – Senators Richard Durbin (D-IL) and Christopher Bond (R-MO) introduced an amendment to the Credit Cardholders’ Bill of Rights (HR 627) today that allows **consumer discounts** for debit cards and **less expensive credit cards** as well as greater **transparency** concerning huge, hidden fees.

In response, big banks and their surrogates have launched a no-holds-barred big-dollar lobbying and media campaign to attack the bipartisan Durbin-Bond amendment. The big banks pretend that savings from reform of the swipe fee system wouldn’t be passed on to consumers – even though the only thing the amendment will allow is consumer discounts.

“After running hundreds of thousands of dollars of political ads accusing retailers of lying about passing swipe fee savings to customers, only the banking and credit card lobby has the audacity to oppose an amendment that would for the first time allow retailers to do just that. They have no shame.” Lyle Beckwith Senior Vice President, National Association of Convenience Stores.

The Durbin-Bond amendment would ensure merchants could offer discounts when their customers use cheaper payments including cash, checks, debit cards, and lower fee credit cards. The amendment would also charge the Federal Reserve with collecting information about the fees charged and the credit card companies’ rules and making that information public.

Banks collect the hidden swipe fee – also known as “interchange” – every time consumers make a purchase in a store using a credit or debit card. Swipe fees on average cost Americans more than **two dollars** out of every **\$100** they spend in stores. Most consumers don’t know it, because swipe fees are set in secret and hidden from cardholders, but the banks have been **aggressively raising swipe fees** for years, **just like late fees**, even as the **cost of processing credit cards has dropped dramatically**.

These fees have tripled since 2001 – from \$16 billion to \$48 billion. That cripples small businesses and forces prices up on everything Americans buy, whether they pay with plastic or not.

American consumers pay the **highest interchange fees in the industrialized world**. Many other countries around the world have reined in this abuse – even though they already had lower fees than ours – and it’s time for our leaders to act. If the big banks are really concerned about giving consumers

the best deal, they'll work with small businesses and Congress to bring discounts, transparency, and competition to consumers.

UnfairCreditCardFees.com and the Merchants Payments Coalition (MPC) 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. For further information, please visit:

www.unfaircreditcardfees.com

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