

The REAL Credit Card Swipe



Thousands of gas stations closing nationally due to high credit card fees; Visa raises hidden interchange fees on gasoline for the average American

- FACT:** Thousands of **gas stations** around the country have **closed** in the last year alone. Far from benefitting from climbing gasoline prices, station operators' costs are jumping – **profits** have **dropped** nearly **30%** since last year. ¹
- FACT:** **Gasoline** prices have **skyrocketed** over **40%** since mid 2007, and the **fees** that station **operators** must **pay** to credit card companies **have risen in tandem**; credit card interchange fees are figured as a fixed fee plus a percentage of sales. Consumers now pay 8-10 cents in interchange fees to the credit card companies on every gallon of gas – as much as **\$2-3 dollars** on some **fill-ups**.
- FACT:** Visa announced on June 26 that it had adjusted its interchange rate schedule to “help ease pain at the pump.” But **Visa’s new fee** structure means **more expensive gas** for **people** who **don’t qualify** for (or don’t use) so-called **reward cards**; they will **pay more** than before for under \$57 transactions. ²
- FACT:** **Oil Express**, an **independent industry publication**, says **Visa’s** newly announced reduction in interchange **fees** is little more than a “**slap in the face...** [gas marketers] will pay **higher fees** on **card sales**.” ³
- FACT:** The **Credit Card Fair Fee Act**, backed by Democratic and Republican lawmakers alike, would **create** a competitive **market-based solution** that will help **cut credit card** fees on **gasoline** as well as food and other retail goods.

Fewer gas stations, higher prices: Voices

Gas station owner Aziz Hassan says most of his profits are going to credit card fees, leaving him little to cover his other costs. “I’m hanging in there and hoping for the better.” - WSJ, 7/7/08

Consumer Watchdog’s Judy Dugan says the decreasing number of gas stations is “terrible for consumers.” – WSJ 7/7/08

“By announcing its “lowering” of interchange rates as a move to help consumers, Visa implicitly acknowledged that interchange contributes to consumer costs...Interchange is not just a Main Street vs. Wall Street issue. It is also a consumer issue.”

– Adam Levitin, Georgetown University, 7/1/08



[We urge you to support HR 5546 / S 3086, The Credit Card Fair Fee Act of 2008](#)

¹ Wall Street Journal, July 7, 2008

² Professor Adam Levitin, Georgetown University Law, is an expert on consumer financial issues.

³ Oil Express, July 2008

UNFAIR CREDIT CARD FEES.COM