

UNFAIR CREDIT CARD FEES.COM

For Immediate Release  
August 12, 2009

Contact: Taylor West  
(202) 261-2382

## **Why Won't Visa Give U.S. Competition & Transparency Promised to New Zealand on Credit Card Swipe Fees?**

### ***U.S. Retailers and Consumers Refuse to be Treated Worse than New Zealand, Canada, Australia and Other Countries***

Washington, DC - Today, New Zealand announced an agreement with Visa to reform the nation's credit card swipe fee system by making the process more transparent and negotiable. These changes, similar to reform efforts already enacted in other nations, will benefit retailers and consumers in a manner sought by small business owners throughout the United States. Swipe fees, also known as "interchange," are the fees merchants are charged every time they run a customer's credit card. For many businesses, the cost of swipe fees is the largest non-labor cost they face, and are rising faster than any other costs – including health care costs.

"Why is the United States being treated worse than these other nations? Each country is different but the underlying problem that must be addressed is the same. Our small businesses and consumers shouldn't be treated worse than everyone else in the world," said Lyle Beckwith, Senior Vice President, Government Relations at the National Association of Convenience Stores.

New Zealand's Commerce Commission had previously ruled that Visa's interchange fee process was in violation of the restrictive trade practices provisions of the nation's Commerce Act. A [statement](#) from New Zealand's Commerce Commission about the new agreement stated that the reforms will, "improve competition between companies that provide credit card services to retailers in New Zealand. Those changes are in the long-term best interests of both New Zealand consumers and retailers," according to Commerce Commission Chair, Dr. Mark Berry.

In addition to New Zealand's reform efforts, numerous other nations have recognized the economic need for swipe fee reform. The Canadian Senate released a [report](#) this summer on Canadian interchange reform, recommending moves towards improved transparency and direct negotiation between merchants and Visa and MasterCard member banks. After reforming the interchange process in Australia, a high-ranking official from that country's Reserve Bank [concluded](#), "the competitive environment has been improved. Merchants have more choice. The veil of secrecy on interchange fees has been lifted. Access has been liberalised. And the price signals to consumers have been improved."

In the U.S., current bills in Congress to reform swipe fees 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 press release from the New Zealand Commerce Commission:  
<http://www.comcom.govt.nz/MediaCentre/MediaReleases/200910/commercecommissionandvisareachagre.aspx>

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

*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.*

###