

Retailers ask for rising card fees to be tackled in Interchange Fee Regulation

EuroCommerce Director-General Christian Verschueren commented today on the publication of an Ernst & Young study for the European Commission on the effectiveness of the Interchange Fee Regulation (IFR) and the launch of its own report on retailers' on-the-ground experience of the IFR's application:

"We are pleased to see that the EY study shows that the Commission was right to place a cap on interchange fees for credit and debit cards, and that this is working. Card fees place a major burden on small retailers and are reflected in the prices they have to ask consumers to pay. With strong competition and low margins, retailers have passed on the benefit of lower fees to consumers. But we face very significant rises in other card fees which are not as yet covered by the regulation. Today we are providing evidence of this unhelpful trend in [our report](#) and are asking that the Regulation be revised to fix this."

The EuroCommerce/Zephyre¹ study, published today, includes substantial input from our members' experience of dealing with card fees. It shows that since 2016 card schemes have been steadily increasing the unregulated fees imposed on retailers, thereby substantially reducing the intended benefits to retailers, and in turn consumers, of the IFR. For example, data provided by the global payments consultancy CMSPI, shows that in the 3 years since 2018, average fees imposed by one card scheme increased by over 29% to 0.104% and inter-regional fees by over 35% to 1.15%. Ahead of the Commission's report on the IFR, therefore, we are asking for the Regulation to be revised to include:

- Regulation of the total fees charged to payment card acquirers;
- Removal of all substantive exemptions in the Regulation so as to cover commercial cards, three-party card schemes, cash withdrawals at ATMs, inter-regional cards, and virtual card transactions;
- Independent acquiring of three-party card schemes;
- Mandatory minimum interchange fees for cash withdrawals and deposits at ATMs in order to maintain consumer choice and cash alternatives and
- Strong and dissuasive penalties for non-compliance with the regulation.

---ENDS---

¹ Zephyre is a specialist antitrust and economics advisory company.

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.