

## Surcharging helps consumers making an informed choice and stimulates competition

### With a surcharging ban, this will happen:

There is a discrepancy between the scope of the surcharging ban and the interchange fee definition it relies on. Coupled with the impracticability and inefficiency of relying solely on positive incentivisation to influence consumer behavior, this could lead to individual costs being borne collectively.

**You will indirectly finance your neighbour's vacation,  
provided by the credit card company but paid for by you!**

A total ban on surcharging would take away an opportunity for merchants to influence consumer behaviour. Any purchase decision is a trade-off between benefit and costs. A surcharging ban removes costs from that equation, disabling consumers to make an informed choice.

A surcharging ban also further increases the barriers for new players entering the market where Europe wants to enhance the level playing field between different types of payment providers. The dominance of incumbent non-European payment schemes would be strengthened and as a result, European strategic autonomy would be weakened by a surcharging ban.

This issue must be addressed through realigning the regulation and to create an efficient mechanism for informing consumers that they have a choice and influencing them to behave in a way that benefits them and the larger society.

Collecting information is necessary for regulators to design appropriate legislation. Lawmakers' access to information from market participants should not be restricted by third-party confidentiality requirements.

The right to surcharge payments helps protect merchants against abusive price behaviour by payment schemes. Particularly SMEs who have less power to negotiate.

The introduction of financial incentives for the use of plastic bags in stores has led to a significant reduction of those bags. This proves that once consumers understand their choices, they change their behaviour.

## Removing the (total) surcharging ban would:

- Provide commercial freedom for merchants to set pricing strategies that reflect the true costs of payment transactions and incentivise consumers to choose more cost-efficient payments.
- Create greater transparency in pricing which in turn helps consumers to make more informed decisions.
- Help new players enter the market that bring new innovative payment solutions that cater to consumer preferences.
- May allow lower-cost payment methods such as debit cards or cash to be incentivised.
- Foster greater competition between payment providers as merchants can negotiate favourable terms and rates and competition drives innovation and efficiency, ultimately benefiting consumers.

**Merchants would only accept a complete surcharging ban if all payment methods, including cash and digital euro, had the same regulated fees.**

## Policy asks:

Merchants call for a (dynamic<sup>1</sup>) impact assessment of a complete surcharging ban. We believe the impact on merchants, consumer prices and competition between PSPs will be so severe that such a surcharging ban should be carefully assessed before implementation.

Without such an impact assessment and lacking substantial evidence, the current partial surcharging ban for regulated payment methods should remain and be harmonised across the Union. Harmonisation means Member States should not have the right to implement a complete surcharging ban as this would undermine the Single Market.

### Contact:

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**EuroCommerce** is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 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.

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<sup>1</sup> [Enrico Letta - Much more than a market \(April 2024\) \(europa.eu\)](#) page 122-123