



Press Release

VISA FEE INCREASE ARROGANT AND UNJUSTIFIED

1 October 2009

Visa Europe will, from today, increase their fees on the use of credit and debit cards. Its 'card scheme fees' will increase by as much as 142%, these fees being the non-negotiable charges paid by retailers' banks and card processors to Visa to be part of its card network. These costs are inevitably passed onto retailers.

Given that there are no extra services or benefits flowing to retailers, these increases will ultimately have the effect of pushing up prices on the shelves.

Paul Skehan, ERRT Director, said: *"These increases are not justified, offer no real benefits either to retailers or consumers, and come at a time when all other sectors of the economy seek to offer greater value for less cost. The arrogance of imposing such huge increases at this time is based on the uncompetitive nature of the credit and debit card industry. And to impose these increases without offering significant, tangible added value defies belief."*

"These fee increases will benefit Visa Europe and its member banks – no one else. Yet, it will be consumers who end up footing the bill, via the retail sector. Clearly, as the card schemes and banks come under increasing scrutiny on their interchange fees, they now seek replacement sources of revenues."*

"We call on Visa Europe to either shelve the increases, or to justify them. Failing that, we call on the European Commission and national competition authorities to accelerate and broaden their investigations into the uncompetitive nature of the credit and debit card market in Europe, which allows and encourages such arrogant behaviour."

Notes to Editors:

Visa's 'card scheme fee' per transaction is made up of two parts: a percentage (of the transaction value) and a fixed fee. ERRT understands the fees will increase as follows:

- Credit cards: the percentage fee to increase by 31% and the fixed fee element to increase by 142%
- Debit cards: the percentage fee to increase by 52% and the fixed fee element to increase by 142%.

*The interchange fee is an additional fee (separate to the scheme fees) paid by retailers to the card issuer on each Visa transaction.

For any further information or clarification, please contact Paul Skehan, ERRT +32.475.388415

ERRT: The European Retail Round Table was established to express the views of large retailers on a range of issues of common interest focused on EU public policy. Their businesses operate worldwide and represent a cross-section of the retail sector. Collectively, ERRT members have a turnover of more than €400 billion and employ 2.3 million people in over 40,000 stores. www.errt.org