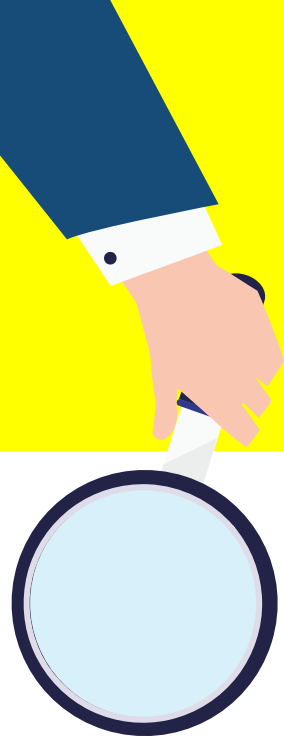
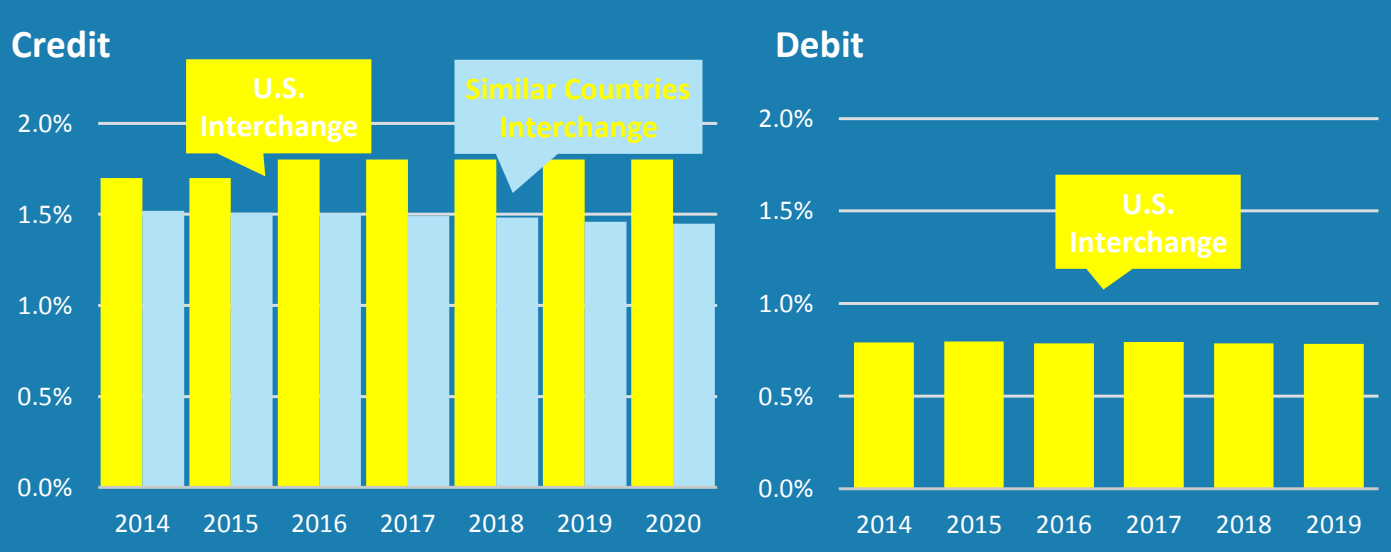
# When It Comes to Electronic Payments, Don't Buy What Big-box Retailers and Convenience Stores Are Selling



*Corporate, big-box retailers, and convenience store chains are at it again, trying to sell members of Congress on the idea that they need interchange price controls. Don't buy it. Their arguments don't hold up against the facts.*

**MYTH:** Credit card "swipe fees" are on the rise—and fast.

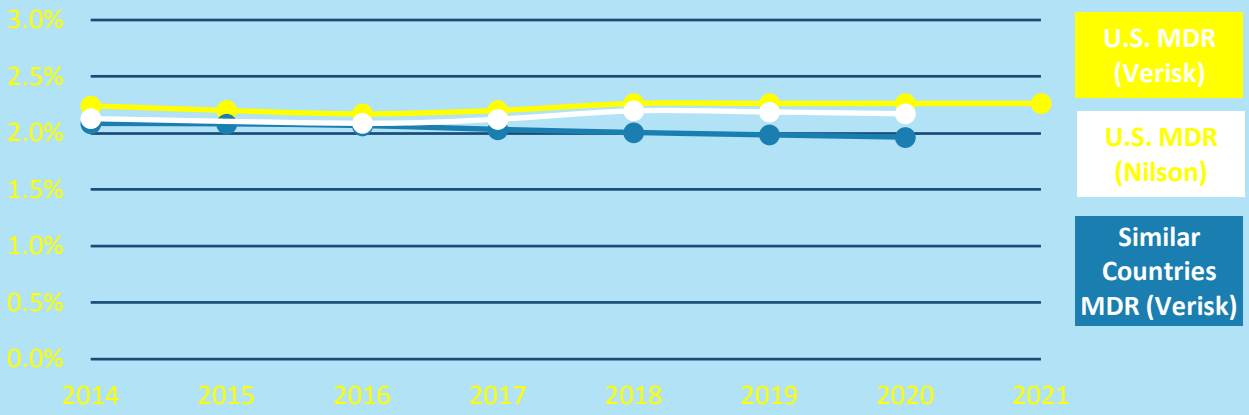
**THE TRUTH:** The data shows otherwise. The average credit interchange rate in the U.S. has only risen 0.1% from 2014–2020.




Source: Verisk (Credit) and Federal Reserve (Debit).

**MYTH:** Credit card fees represent one of merchants' highest costs, after labor.

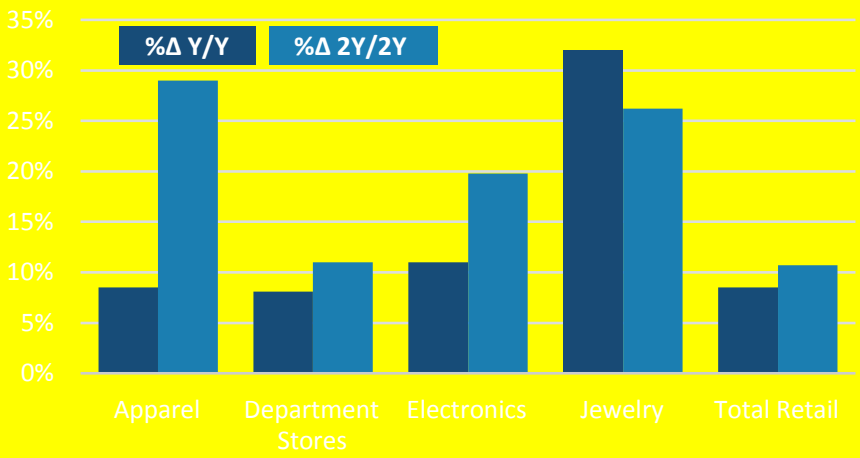
**THE TRUTH:** Fees were a mere 2.26% of transaction revenue in 2021. That's far less than the cost of goods, loan interest payments, and utilities for a typical merchant—not to mention other expenses like administrative costs, taxes, and leases.




Source: Nilson Report; Verisk.

**MYTH:** Retailers are struggling financially and need regulatory relief.

**THE TRUTH:** Even that claim doesn't hold water. Retail sales rose substantially in the 2021 holiday season—up 9% from 2020 and 11% compared to 2019.




Source: Mastercard SpendingPulse.

Big box retailers and convenience stores promised consumers would benefit from the Durbin Amendment through lower prices at the checkout counter. **That's not what has happened.**

They pocketed more than $100 billion in Durbin Amendment profits since 2011. A study found that more than three-fourths of retailers did not change their prices post-Durbin. Indeed, one in four merchants actually raised prices.

## MERCHANTS HAVE RECEIVED MORE THAN $100 BILLION WINDFALL BUT 98.8% OF RETAILERS RAISED PRICES ON PRODUCTS OR KEPT THEM THE SAME

Source: https://www.richmondfed.org/-/media/richmondfedorg/publications/research/economic_quarterly/2014/q3/pdf/wang.pdf

Big-box retailers and convenience store chains use these phony arguments to try and convince you that the electronic payments system is broken. But their claims don't stand up to scrutiny - the facts aren't on their side.

# OPPOSE INTERCHANGE PRICE CONTROLS

To learn more visit **electronicpaymentscoalition.org**

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