DON'T BUY THE LIE

Mega-Stores' Mega-Billions Scheme

They want services for free, while you pay the fee

EPC Electronic Payments Coalition

Corporate Mega-Stores are not being honest about credit card costs. They are spreading false claims and concealing the truth to push for a government takeover of Americans' credit cards. Credit card processing is an essential **SERVICE** that enables fast, easy, safe and reliable payments for businesses of all sizes and their customers.

Why? THE NATION'S LARGEST MEGA-STORES STAND TO MAKE BILLIONS if they can use market-distorting mandates to **MANDATE YOUR CREDIT CARDS RUN ON UNTESTED NETWORKS**. But, there is no such thing as a free lunch. Consumers, small businesses, community banks and local credit unions are the ones who lose under this Mega-Store Mega-Billions Scheme.

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✗ Big merchants say interchange fees are hurting their bottom line.

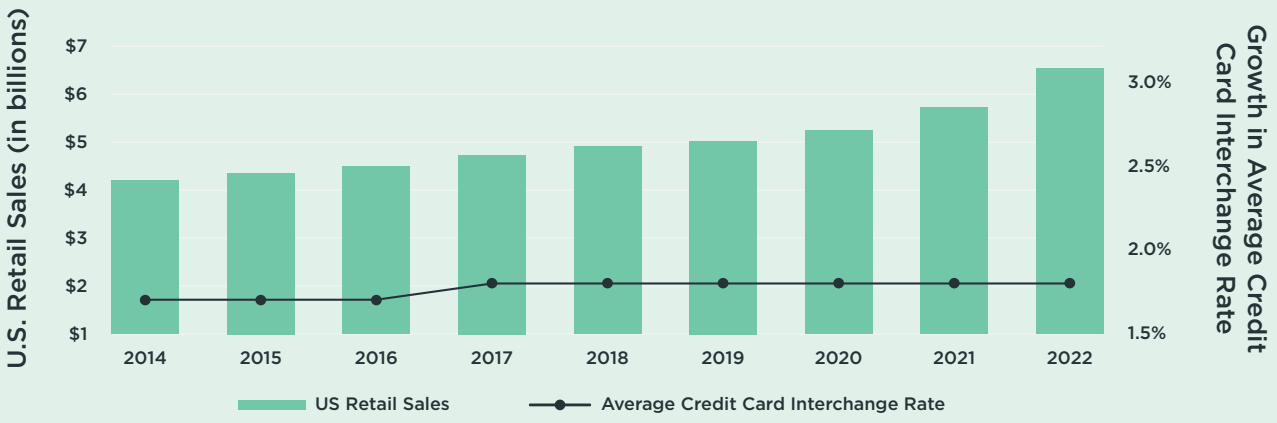
✓ Merchants get tremendous value from credit card acceptance, well-worth the investment.

- Businesses pay just over 2% to process credit cards, a rate that has remained virtually flat for nearly a decade despite increases in security and fraud protections implemented by credit card networks.
- Businesses can save anywhere from 2% to 9% from accepting credit cards compared to cash when you factor in the hidden costs of cash acceptance, like security and time spent paying employees to handle money.
- Credit cards have driven approximately $90 trillion in economic growth since 2006.
- In 2019, the average credit card transaction was 3 times higher than the average cash transaction.
- Credit cards allow merchants to sell products online, where sales have increased by more than 350% over the past 10 years.

✗ Big merchants say rising credit card fee increases are driving up consumer costs.

✓ The interchange rate has been flat for more than a decade. Thanks to the growth of credit card payments, merchant sales volume has increased while interchange has remained steady at less than 2% for a decade.

Retailers Sales RISE, While Interchange Remains FLAT



MPC lobbyists will say the Durbin-Marshall credit card mandates will help small businesses and consumers.

Study after study has reported consumers and small businesses would not benefit, but the largest corporate mega-stores stand to pocket billions in savings.

CRS Report: Unclear Who Durbin-Marshall Benefits.

Not Consumers
"It is not clear whether retailers would pass interchange savings on to consumers."

Not Small Businesses
"It is unlikely a small business would be aware of a smaller network ... [and] might face higher incidences of fraud if payment security is weakened."

Just Corporate Mega-Stores
"Major retailers [could create] a payment network ... tighten links between commerce and banking, and potentially lead to conflicts of interest."

University of Miami Study:

Imposing Alternative Payment Networks on Credit Cards Will Likely Hurt Low Income Households and Small Merchants

The benefit to the top 5 largest retailers will be approximately $1.2 billion.

Almost all of those savings will accrue to retailers with $500 million or more in annual sales, with little going to small businesses

The typical SME would receive little savings from the legislation. The benefits accruing to the larger merchants would distort the competitive landscape and disadvantage smaller merchants.

Following caps on debit cards, the Federal Reserve Bank of Richmond found

98% of businesses either raised prices for consumers or kept them the same.

DON'T BUY THE LIE

The truth is credit and debit cards have been transformative for the economy – making payments seamless and secure, driving down business costs and growing sales.

The cost of processing cards is an investment in this value.

Credit card mandates are a losing scheme. If large merchants get their way, consumers and smaller businesses pay – through loss of credit card rewards, a less secure payment system and the growing dominance of retail giants.