

Interchange Fees - Visa

Related Lawyers: **Anthony Maton, Nicola Boyle, Wessen Jazrawi**

Related Practice Areas: **Competition Disputes**

In March 2008, the European Commission (“EC”) opened formal antitrust proceedings against Visa Europe Limited in relation to the multilateral interchange fees (“MIF”) charged by Visa for intra-EEA credit and debit transactions.

The Cartel

Further to its investigation, in April 2009, the EC sent Visa a Statement of Objections concerning the intra-EEA MIF, and the MIF charged on domestic transactions in nine EU Member States where Visa set the rate and/or the intra-EEA rate was adopted by default (the “default countries”). The EC’s preliminary view was that Visa’s MIF harms competition between acquiring banks, inflates the cost of payment card acceptance for merchants and ultimately increases consumer prices.

In response to these proceedings, Visa made commitments to the Commission to vary, reduce or cap its MIF. In particular, on 8 December 2010, Visa made commitments to cut its MIFs for debit card payments to 0.2% of the value of the transaction, which represents a reduction of about 60% on average for domestic MIFs and 30% for cross-border MIFs. These are legally binding until 8 December 2014.

In July 2012, the EC sent Visa a Statement of Objections concerning the intra-EEA MIF in relation to credit card transactions, again noting that its preliminary view was that these MIFs restrict competition between banks and infringe EU antitrust rules that prohibit cartels and restrictive business practices. In response, Visa offered commitments which were made legally binding by the Commission on 26 February 2013. These involve a commitment to cut its MIFs for credit card payments to a level of 0.3% of the value of the transaction (a reduction of about 40 to 60%) and to reform its rules in order to facilitate cross-border competition. These Commitments apply to cross-border transactions from now and to domestic and default transactions from 26 February 2015. They are legally binding until 26 February 2017.

Our Actions

We believe there are good prospects for substantial compensation in respect of both cross-border and domestic interchange fees paid historically. If you have been affected by VISA’s MIFs, there may be the possibility of joining a group of claimants seeking recovery of damages.