

Visa Europe to cut debit card payment fees

BRUSSELS, BELGIUM: The amount of commission consumers are charged for making payments in Europe using Visa debit cards is to fall, European competition regulators said on Monday, 26 April 2010.



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Credit: Salvatore Vuono*

"Today, Visa Europe has proposed to reduce to 0.20% (of the final price of a product or service) the fee that is collectively determined and charged between banks for each payment by debit card," a European Commission statement said.

The new maximum level applies to all cross-border transactions in the European Economic Area, which is the 27 European Union member countries plus Iceland, Liechtenstein and Norway.

"This will improve the efficiency of the European financial system to the benefit of consumers and retailers," said the EU's competition commissioner, Joaquin Almunia.

The changes are in line with those undertaken by rival Mastercard in April last year and are designed to head off the threat of massive fines for breaching competition law.

Commission experts said that, following market testing, "the commitments would be made legally binding and the commission would not pursue the antitrust investigation further."

The changes also affect domestic transactions within Greece, Hungary, Iceland, Ireland, Italy, Malta, Sweden, Luxembourg and the Netherlands, the latter pair only issuing pre-paid Visa cards.

Cross-border fees will be reduced by about 30% on average, the commission said, while charges for domestic transactions will fall by about 60%.

Source: AFP

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