

Durbin, Marshall, Issue Statement On Reports Visa and Mastercard Plan To Increase Swipe Fees

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WASHINGTON – U.S. Senate Majority Whip Dick Durbin (D-IL), Chair of the Senate Judiciary Committee, and U.S. Senator Roger Marshall, M.D. (R-KS), lead sponsors of the [Credit Card Competition Act](#), today released the following statement regarding [reports](#) that Visa and Mastercard plan to raise their interchange fee rates in October and April:

“We strongly urge Visa and Mastercard to withdraw their plan to raise credit card fees on small business owners and hard-working American families.

“According to the Nilson Report, U.S. merchants paid an estimated \$93 billion in Visa and Mastercard credit card fees last year—a huge jump from the \$33 billion paid in 2012. Merchants pass these costs on to consumers in the form of higher prices. With small businesses and families already dealing with high prices on groceries and gasoline, this hidden credit card fee increase couldn’t come at a worse time.

“Today’s news solidifies that it is time to pass our bipartisan, bicameral legislation—the *Credit Card Competition Act*—to enhance competition between credit card networks and ultimately lower costs for businesses and consumers. We need to bring real competition to the credit card industry. Our bill ensures that the Visa-Mastercard duopoly ends their price gouging tactics that disproportionately hurt American families and small businesses.”

Durbin and Marshall’s *Credit Card Competition Act of 2023* would enhance competition and choice in the credit card network market which is currently dominated by the Visa-Mastercard duopoly. Building off of debit card competition reforms enacted by Congress in 2010, the bill would direct the Federal Reserve to ensure that largest credit card-issuing banks offer a choice of at least two networks over which an electronic credit transaction may be processed.

Visa and Mastercard wield enormous market power in credit cards; according to the Federal Reserve, they account for nearly 576 million cards, or about 83 percent of general-purpose credit cards. Visa’s and Mastercard’s market power and network structure have enabled them to impose fees on U.S. merchants that are among the world’s highest, charging a total of \$93 billion in U.S. merchant credit card fees in 2022. These fees include interchange or swipe fees which Visa and Mastercard require merchants to pay to issuing banks, as well as network fees that Visa and Mastercard require merchants to pay directly to them. Consumers ultimately pay for these fees in the price of the goods and services they buy.

Last year, Durbin and Marshall, along with then-U.S. Representative Peter Welch (D-VT) and U.S. Representative Beth Van Duyne (R-TX) sent a bipartisan, bicameral [letter](#) to the CEOs of Visa and Mastercard urging the companies not to proceed with plans to raise their interchange fee rates.