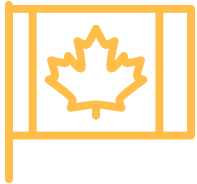




# Credit Card Fees



Canada has some of the highest credit card fees in the world. While other countries including Australia and the EU have capped their rates, Canadian small businesses still pay exceptionally high fees.

1.5%-4%

Credit card fees can range anywhere from 1.5% to 4% per transaction. While credit card companies have a code of conduct dictating fees, this is only voluntary. By comparison, following studies in their respective countries, the EU has capped rates at 0.3% and Australia at 0.5%.



Small retailers do not have the negotiating power of large, multi-national corporations like Wal-mart, which recently cut a deal with Visa to reduce their credit card bills. So when MasterCard and Visa report to the Federal Government on the results of self-audits on voluntary reductions, the preferential fees they are providing to large retailers are incorporated into those results. In other words, smaller businesses are subsidizing preferential deals for large multinationals.

## Recommendation

Cap credit card fees to reasonable rates in order to bring fairness and transparency to the payments industry in Canada. Look to best practices from other countries (including the EU and Australia), that have reviewed the rates charged to small business and deemed it necessary to introduce regulation to protect these small retailers.

