



STAND UP FOR MAIN STREET:

Support the Credit Card Competition Act

S. 3623/H.R. 7035

U.S. Main Street merchants and their customers have recently struggled with the highest inflation in 40 years and continue to face economic pressures both foreign and domestic. Congress can bring relief to Main Street and consumers by passing the bipartisan Credit Card Competition Act. The Credit Card Competition Act simply requires the nation's largest banks to enable at least two unaffiliated networks on each credit card – Visa or Mastercard plus a competing network.

THE CREDIT CARD MARKET IS BROKEN

- U.S. merchants were charged a record \$187.2 billion to process credit and debit card transactions in 2024, according to the Nilson Report. These fees have increased by 70% just since the pandemic. Visa and Mastercard credit card swipe fees totaled \$111.2 billion last year, which is more than a 10% increase in one year alone and nearly triple what the fees were in 2014 (\$39.1 billion).
- Every time a consumer inserts, swipes, or taps a credit card in person or enters a card number online, the merchant must pay hidden non-negotiable processing fees known as swipe fees that vary between 2% and 4% of the transaction amount.
- Visa and Mastercard set the swipe fees they and giant Wall Street banks collect on every transaction made with credit cards issued under their brand.
- Visa and Mastercard control 80% of the credit card market and refuse to negotiate these fees with Main Street merchants.
- In April 2022, Visa and Mastercard increased swipe fees by almost \$1.2 billion a year despite calls from a bipartisan group of members of the House and Senate and Main Street businesses and consumers to not do so. In October 2023, Visa and Mastercard again raised fees by more than \$500 million annually, and Mastercard increased them again in April 2024 by more than \$250 million. In January 2025, Visa increased network fees by an estimated \$100 million, adding to the burden merchants and consumers already bear.
- As a percentage of the transaction, the amount collected in swipe fees automatically goes up as prices rise. While Main Street businesses and U.S. consumers struggle with inflation and pay the highest swipe fees in the industrialized world, Visa has bragged on its earnings calls about being a beneficiary of inflation.

COMPETITION IS THE ANSWER AND WILL LOWER FEES, STRENGTHEN SECURITY AND INCREASE INNOVATION

- Visa and Mastercard do not face any competition in processing transactions made with credit cards issued under their brand.
- As a result, they can set both their own fees and the fees charged by card-issuing banks without concern of merchants taking their business elsewhere.
- By requiring that multiple networks be enabled on credit cards, networks would have to come to the table and negotiate fees, security and terms of acceptance with Main Street merchants.

COMPETITION WORKS AND SHOULD BE FOSTERED – NOT INHIBITED – BY CONGRESS

- The fundamentally broken and anticompetitive credit card market will not self-correct.
- Congress must act quickly to inject much-needed competition into the credit card market and require that the two dominant networks compete for merchants' business.

THE BILL PROTECTS SMALL AND MEDIUM-SIZE BANKS

- The bill exempts all banks and credit unions with less than \$100 billion in assets and applies to about 30 financial institutions in the country. Only one credit union in the entire country – Navy Federal Credit Union – is large enough to be included, and no small credit unions or community banks are affected.

U.S. Main Street merchants and their customers need relief from bloated hidden credit card fees. Competition will bring relief and open the market to new entrants. Only Congress can bring that relief.

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