

Help finish the battle for fairness in Canada's credit/debit card industry!

To: Hon. Jim Flaherty, Minister of Finance

Cc: _____
My Federal MP

Fax to CFIB: 1 613 235-4137

From: _____
Name

Signature

Business name

Member email (*optional*)

Minister Flaherty:

Canadian small business owners appreciate your help in our fight for fairness in the face of rising credit card merchant fees and threats to debit. My business has been hit hard by higher costs in accepting Visa and MasterCard. Unless you take immediate action, I fear that these same bad practices will soon be expanded to Canada's debit marketplace.

Thank you for adopting much of CFIB's Code of Conduct for credit and debit cards. As you work to finalize the Code in January 2010, I ask you to:

1. Seek an immediate moratorium on plans by Visa and MasterCard to enter the debit world until the Code is finalized. My business cannot afford the average 60-75 cent merchant fees that exist in other countries such as the U.S.
2. Resist the expected calls from Visa, MasterCard and the big banks to water down the Code.
3. Examine ways to strengthen the Code over the next 60 days such as eliminating any "negative options" for Visa Debit in contracts with card processors.
4. Push all credit and debit players to immediately adopt the Code once finalized.
5. Establish an oversight body and dispute resolution process to ensure all industry players adhere to the Code.

Canadian merchants are counting on you to help finish this important battle!

**The future of merchant acceptance costs for Visa, MasterCard
and Debit will be decided in January 2010—make sure it's the right
solution for your business.**

CFIB ASKED



GOVERNMENT LISTENED

CFIB Code of Conduct (July 7, 2009) and Debit Letter (Sept. 22, 2009)	Department of Finance Code of Conduct (Nov. 19, 2009)
<p>Transparency of Merchant Rates: Merchants should have a right to know the total cost of accepting a card before processing a transaction.</p> <p>Full and Simplified Disclosure of Fees: Credit card companies and banks should provide simple, easy to understand descriptions of each individual element of the charge and the purpose behind each charge.</p>	<p>1. Increased Transparency and Disclosure by Debit and Credit Card Networks and Acquirers to Merchants. Merchant – acquirer agreements and monthly statements will include a sufficient level of detail and be easy to understand. Payment card networks will make all applicable interchange rates easily available on their websites. Payment card networks will post any upcoming changes to these fees once they have been provided to acquirers.</p>
<p>Notification of Fee Changes: There should be a reasonable notification period put in place before any increase in fees, such as 90 days. This notice provision should begin when a merchant is informed by the credit card processor.</p>	<p>2. Merchants will receive a minimum of 90 days notice of any fee changes related to any credit or debit card transactions.</p>
<p>Contracts and Penalties: Merchant fees should not be subject to change within a contract period. If the price goes up, merchants should have the opportunity to opt out of the contract without penalty.</p>	<p>3. Following notification of a fee change, merchants will be allowed to cancel their contracts without penalty. By signing a contract with an acquirer, a merchant will have the right to cost certainty over the course of their contract. Merchants will be allowed to opt out of their contracts, without facing any form of penalty within 90 days following notification of a fee change.</p>
<p>Right to Refuse Cards: Merchants should be able to refuse any category of card.</p>	<p>4. Merchants who accept credit card payments will not be obligated to accept debit card payments from the same payment network, and vice versa.</p>
<p>Right to Surcharge or Discount: Merchants should be able to freely price their acceptance of different payment methods. Discounting and surcharging without restrictions may incent consumers to use less costly forms of payment.</p>	<p>5. Merchants will be allowed to provide discounts for different methods of payment (e.g. cash, debit card, credit card). Merchants will also be allowed to provide differential discounts among different brands.</p>
<p>Routing of Debit Transactions: Priority routing of transactions to one debit network should be prohibited.</p> <p>Ability to Refuse Debit Options: Merchants should retain the ability to refuse to offer Visa and MasterCard debit while still offering Interac.</p>	<p>6. Merchants can decide whether they will accept multiple forms of debit card payment. In such a case, merchants can choose the lowest-cost option on transactions involving co-badged debit cards. When a consumer uses a co-badged debit card with a merchant who accepts both debit products on the card, the merchant will decide which debit payment option is used for the transaction.</p>
<p>Promotion of Debit Options: If it is decided that competing products will be permitted on the same card, all debit options on cards and terminals should be displayed with equal prominence.</p>	<p>7. Co-badged debit cards shall be fairly branded. Issuers of co-badged debit cards should clearly indicate which payment options are available on that card and not give preferential branding to one network over another.</p>
<p>Competing Debit Products: No competing debit products should be allowed on the same card.</p>	<p>8. Debit and credit card functions shall not co-reside on the same payment card.</p>
<p>Distribution of Premium Cards: Credit card companies and banks will distribute premium cards only upon request from a customer.</p> <p>Targeting of Premium Cards: Premium cards should be reserved for the use of a well-defined group of higher spend customers.</p>	<p>9. Premium credit cards may only be given to consumers who apply for or consent to such cards. In addition, premium cards shall only be given to a well-defined group of cardholders.</p>