

# European merchants payments coalition

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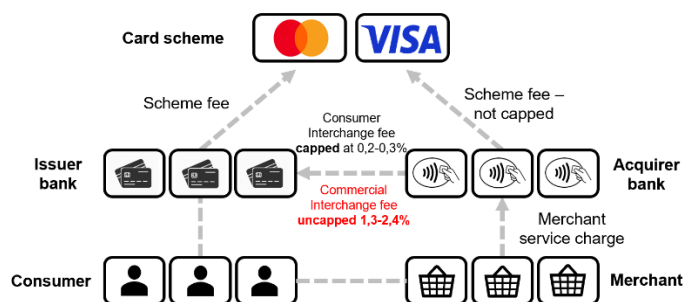


## Merchants call on EU institutions to cap commercial cards interchange: uncapped fees lead to price discrimination and inflated consumer prices and are costing the EU economy at least € 4bn per year

The 2015 Interchange Fee Regulation<sup>1</sup> (IFR) capped interchange fees for **consumer** cards at 0,2% and 0,3% for debit and credit cards respectively. Commercial cards, sometimes called corporate, business or company cards, were excluded and for those interchange fees remained uncapped ranging between 1,3 and 2,4%<sup>2</sup>, up to **6 times higher than for consumer cards**. However, because it is nearly impossible for merchants to identify commercial cards, merchants cannot avoid paying these higher fees that ultimately lead to higher prices for their products and services, adding to inflation.

**These higher fees for commercial cards translate to higher sales prices for B2B customers because higher costs will be reflected in higher prices to EU citizens even though citizens don't use commercial cards.**

How do card fees for merchant payments work?



The **merchant service charge** (MSC) for card payments, paid by the merchant to the acquirer, consists of three components:

- 1) **Interchange fees** paid to the issuer bank – set by the schemes. Capped for consumer cards, uncapped for commercial cards.
- 2) **Scheme/processing fees** paid to the schemes – set by the schemes, uncapped, increasing by ~8% per year. Ongoing DG COMP investigation.
- 3) **Acquirer fees** paid to the acquirer (non-)bank – negotiated between acquirer and merchant.

<sup>1</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015R0751&qid=1678101164620>

<sup>2</sup> [WEBSITE - MASTERFILE EEA.xlsx](#) and [Interchange Fees | Visa](#)

*Note: whilst the interchange fees for commercial cards are discussed here, merchants are also concerned about the uncapped, untransparent and ever increasing **scheme fees**. We are looking forward to the outcome of the currently ongoing DG COMP investigation into those fees.*

## What happened since IFR?

The transaction share of commercial cards grew from 3%<sup>3</sup> to around **4% and** from 7%<sup>4</sup> to **8% share of value**<sup>5</sup>. The value share is higher due to the higher average transaction value. If the U.S. is any indication: commercial cards may increase to a transaction share of **7.5% with some 18%** of value. Attracted by the significantly higher interchange, issuers are pushing for **commercial cards** propositions e.g. to use them **cards for Business-to-Business (B2B) payments instead of SEPA credit transfers**, such as between travel intermediaries and hotels and/or airlines, or to use **commercial cards as the basis for meal and social vouchers**. The **absolute volume and value of commercial cards have grown** parallel with the growth of the overall cards volume and value, with the relative share staying roughly the same. On top of that, **commercial cards' interchange fees have increased** because Mastercard and Visa try to out-compete each other ('reverse competition') for issuer preference. For merchants the same 'abuse of a dominant position' arguments apply to commercial cards, justifying intervention as has happened for consumer cards under IFR.

Using ECB payment statistics<sup>6</sup>, **we calculate that European merchants have paid at least EUR 4 bn<sup>7</sup> 'too much' in 2025**, compared to if commercial card fees would have been capped at IFR rates.

### Impact: price discrimination

**Merchants** with a high share – can be as high as 60–70% – of **business customers** (e.g. wholesalers, airlines, service stations, hotels), **pay higher fees** for the **same payment services** compared to merchants that mostly have private citizens (consumers) as customers.

## Surcharging or non-acceptance of commercial cards are not remedies, it's fighting symptoms:

- The IFR allows merchants to either surcharge or non-accept commercial cards. **In reality neither are a viable option**, because merchants cannot easily detect that a customer

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<sup>3</sup> [https://copenhageneconomics.com/wp-content/uploads/2021/12/copenhagen-economics\\_march\\_ifr-report.pdf](https://copenhageneconomics.com/wp-content/uploads/2021/12/copenhagen-economics_march_ifr-report.pdf), page 199

<sup>4</sup> Ibid, page 201

<sup>5</sup> Non-public data available to EuroCommerce

<sup>6</sup> [Payments statistics: first half of 2025](#): € 1.7 trillion value of card payments 1H2025

<sup>7</sup> Conservative estimate: € 1,700 billion x 2 (full year) x 8% (commercial cards value share) x (1.85% – 0.30%) (average commercial interchange – consumer credit interchange) = € 4 bn

uses a commercial card. Tokenisation of cards makes that increasingly hard. Even if the card number is not tokenised, merchants rarely know which card ranges (using the BIN<sup>8</sup>) are used for commercial cards, because that information is not publicly available. And would need to invest in their technical infrastructure to manage BIN-ranges and check each cards against them.

- Even if a commercial card can be detected, surcharging and non-acceptance can **cause significant friction at check-out**: if they are not used to it, customers and cashiers will not understand why commercial cards are treated differently from consumer cards and customers might not have an alternative ‘business’ payment option available.
- 16 out of 27 member states have **imposed a complete surcharging ban**: surcharging for commercial cards is not allowed. In those cases, customers using **consumer cards are unknowingly subsidising** those that use commercial cards.

### Cure the root cause: stop price discrimination – our call on the EU institutions:

- **Include commercial cards in the scope of interchange fee caps** by deleting IFR Article 1.3 (a), because the **same anti-trust arguments** that led to the consumer interchange fee caps applied then and still **apply to commercial cards**. Interchange for commercial cards should have been capped too at the time.
- **Protect EU businesses and citizens** from undue price discrimination, an unlevel playing field and barriers to “**One Europe, One Market**”, that eventually could lead to inflated consumer prices.

#### Merchant Payments Coalition Europe

[EuroCommerce](#), [Ecommerce Europe](#), [EACT](#), [Hotrec](#), [IATA](#), [Independent Retail Europe](#) and [SME United](#) have decided to start working more closely together on the topic of retail payments. Merchants across sectors share a common ambition for the future of retail payments in the EU, but also share specific concerns such as the rising payment costs. By creating this coalition, European retail associations aim to foster the exchange of information and views on ongoing legislative and regulatory developments and innovation.

Whilst each organisation within the coalition has its own responsibility and membership, together we coordinate our actions and make the merchants’ voices heard more clearly. Merchants are an essential part of the payment ecosystem, with a direct connection to consumers, and are always directly and indirectly impacted by regulatory, technical and business developments on payments. We, therefore, advocate for their views and experience to be taken into account in these developments.



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<sup>8</sup> Bank Identification Number