



# EuroCommerce messages on payment legislations

4 Top-level messages



# On 28 June 2023, the European Commission launched a package of payment legislations

## Our top-level messages:

- 1. Fairer Transaction Fees:** Implement a 'fee per transaction' model, allowing consumers to benefit from economies of scale. No fees for low-value payments.
- 2. Merchant Choice for Digital Euro and Cash:** Give merchants the freedom to decide whether to accept digital euro and cash, without mandatory acceptance.
- 3. Transparent Payment Costs:** Remove surcharging bans, making hidden payment costs visible to consumers, ultimately benefiting them.
- 4. Fair Treatment for Meal Vouchers:** Ensure meal vouchers do not disadvantage merchants, treating them on par with general consumer payment methods.

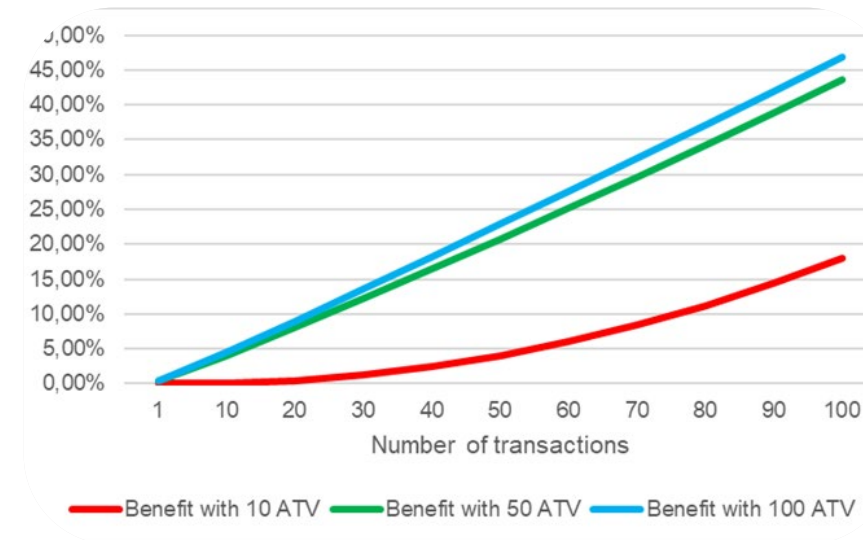
# 1. Fairer Transaction Fees:

Implement a fixed 'fee-per-transaction' model for payments, with no fees for low-value transactions, to benefit SME merchants.

## Why?

- **Fixed, Zero Fees:** Implement fixed 'fee-per-transaction' model for merchants. No fees for low-value transactions.
- **Equal Transaction Costs:** Recognise uniform costs for moving any amount, post SCA's risk reduction.
- **Minimal Digital Euro Acceptance Costs:** Strive for near-zero costs for digital euro transactions, being public funds.
- **Lower Average Payment Costs:** Counterbalance increasing acceptance costs from card schemes, alternative methods, and Buy Now Pay Later by adding lower cost payment methods.

By changing from a 0.5% percentage fee to a decreasing fixed fee of 5ct per transaction, costs for merchants and consumers drop by **18-47%** across transaction values of 10, 50, and 100 euro.



## 2. Merchant Choice for Digital Euro and Cash:

Merchants want the freedom to choose and therefore oppose mandatory acceptance of cash and digital euro. They will continue serving customers by accepting cash if it remains affordable and safe to do so.

### Why?

- **Safety Concerns:** Mandating cash acceptance in certain situations risks harm to employees and merchants.
- **Flexible Exclusion Policy:** Use 'allowed, provided...' instead of 'not allowed, except...' for payment method policies, like 'no cash' signs.
- **Fee Protection:** Merchants need safeguards from high bank/Service Provider fees due to mandatory acceptance and surcharge bans.
- **Consistency:** Prevent inconsistencies between Member States in penalties, reporting, and exemptions.
- **Respect Cash Preferences:** Countries with low cash usage should not be forced to increase it against their preferences.

### 3. Transparent Payment Costs:

Merchants want to remove all surcharging bans and oppose stricter bans by Member States. This allows merchants to inform consumers about payment costs, enabling fair value for money. They seek commercial freedom to incentivise or disincentivise payment methods based on their costs and value.

#### Why?

- **Undermined Competition:** Surcharging bans hinder free competition and enterprise.
- **Cost Burden on Consumers:** Bans result in higher costs for consumers as cheaper payment users subsidize expensive ones.
- **Consumer Behavior Adaptation:** Informed consumers adjust their behavior when aware of payment costs.
- **Uniform Rules for Single Market:** All Member States should follow the same rules to promote the single market.

## 4. Fair Treatment for Meal Vouchers:

Meal and social vouchers should be priced as consumer payment methods to be affordable for merchants. Failure to do so may lead to higher consumer prices or disappointment due to non-acceptance.

### Why?

- **Loophole Misuse:** some E-money institutions exploit Limited Network Exclusion to charge merchants direct acceptance fees on top of unregulated interchange and scheme fees for meal and social vouchers.
- **Wider Acceptance:** Vouchers issued through card schemes, accepted in multiple networks, and for various products should not be excluded from the second Payment Services Directive (PSD2) and the Payment Services Regulations (PSR).
- **Consumer Payment Methods:** These vouchers should be considered general purpose consumer payment methods, priced according to the Interchange Fee Regulation.
- **Fair Pricing:** Proper regulation ensures fair pricing and prevents exploitation of the loophole.