Brussels, 12 June 2025

Ten years after the Interchange Fee Regulation, we need new action to tackle new wholesale price increases

On 8 June 2015, the EU's interchange fee regulation (IFR) entered into force, effectively capping a key part of the wholesale price of payments, to the benefit of EU businesses and consumers.

Ten years later, we note that International Card Schemes (ICS) have found new ways to unfairly increase wholesale costs to the European payments ecosystem.

Data shows a cumulative increase in ICS' fees of 33.9% between 2018 and 2022 (7.6% per year average), on top of inflation, without a corresponding improvement in service for EU merchants and consumers. Another study estimates that their fees rose by an average of 47% (in one ICS, by 150%) between January 2018 and May 2020[i]. The European Commission itself referred to similar estimates, including that these fees increased by €1.46 billion between 2016 and 2021[ii].

International Card Schemes have been able to increase their fees without sufficient competitive challenge or regulatory scrutiny. They have also rendered their system of fees and rules so complex and opaque that players are unable to understand, let alone challenge, what they are paying for and why. This situation is also detrimental for consumers, who also bear the costs of ICS fees paid by businesses.

While all other players in the ecosystem are subject to transparency and simplification requirements, the ICS continue to place a large, unilaterally mandated burden on all members of their network to conceal their extraction from the economy at large, in Europe and beyond.

This increasing cost and escalating complexity are hampering Europe's economic strength and strategic autonomy.

The development of alternative EU payments methods, such as Instant Payments, a well-designed Digital Euro and the interoperability of European domestic payment methods have the potential to help maintain a more balanced competition level in the payment market in the long term. However, these future-facing projects are unable to stop in the short term the harm being caused in the card payments market. Anti-competitive practices of the ICS today are detrimental to the European payment methods of today and prevent the development of future alternatives tomorrow.

The Associations listed below therefore urge Europe to act by reviewing the Interchange Fee Regulation (IFR), as recently called for by Parliament[i], to the current reality. The IFR's aim of reducing the wholesale cost of digital payments and fostering more competition in EU payments is being undermined and should be updated to impose price controls on scheme fees

ECOMMERCE EUROPE

EuroCommerce Retail & Wholesale

Independent Retail Europe

EACT THE EUROPEAN ASSOCIATION OF CORPORATE TREASURERS

EDPIA The European Digital Payments Industry Alliance

[i] **EuroCommerce** – Scheme fee study – December 2020

[ii] See pages 36-37 from **European Commission** – European Financial Stability and Integration Review (2024)

[iii] See extract from **European Parliament** – Annual Report on Competition Policy 2024:

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