

Jan. 15, 2026

RE: Endorsement of Credit Card Swipe Fee Reform Legislation

Dear Lawmakers,

We write to endorse the bipartisan effort to pass the Credit Card Competition Act, swipe fee reform legislation which, promotes competition and fairness in the credit card industry. Reform is urgently needed to boost competition in credit card payments to relieve heavy cost burden borne most onerously by small businesses and consumers at a time when affordability is perhaps the top issue in modern American economic life. In reiterating our substantive support for the CCCA, we take no position on any legislative vehicle through which the CCCA might advance.

We support efforts by lawmakers at both the federal and state levels to address the market failure in the credit card payment industry, which has long been dominated by the Visa-Mastercard duopoly. Today, because of this duopoly, American consumers pay the highest credit card swipe fees in the industrialized world. Due to their unchecked market power in the U.S., Visa and Mastercard charge nearly ten times the swipe fees they charge in Europe.

All consumers pay more at stores and at the pump due to the anticompetitive practices of Visa and Mastercard, which set both the rules and prices for merchants to accept electronic payments. Merchants, for whom these fees are often the second- or third-highest expense after labor and rent, are forced to pass along the costs by baking them into the prices all customers pay. The average family, in fact, pays about \$1,200 in higher prices each year just to cover high swipe fees.

These fees impose the greatest hardship on the most vulnerable consumers who lack credit cards or banking relationships. The Hispanic Leadership Fund has [demonstrated](#) that households with income below \$75,000 per year collectively transfer over \$3.5 billion to wealthier ones through the credit card system. These consumers predominantly use cash, thereby subsidizing card usage by paying inflated prices for groceries, gas, and other goods and services.

Credit card swipe fees far exceed the actual cost of handling transactions, and swipe fees collected on cards branded with Visa and Mastercard have more than quadrupled since 2010. U.S. merchants were charged a record \$187.2 billion to process credit and debit card transactions in 2024, according to [the Nilson Report](#). Merchants are even charged swipe fees on the sales tax and tip portion of their transactions, an egregious practice that further inflates costs and warrants reform.

Consumers and small businesses need legislation that finally brings some competitive market pressure to reduce high swipe fee costs by requiring the largest credit card-issuing banks to offer merchants a choice of other card networks on which to process credit transactions. Visa and Mastercard currently prohibit banks from enabling other networks on their credit cards because having multiple networks on a card creates market pressure not to charge higher fees than competitor networks. To ensure competition, legislation should require that at least one of the offered networks must be an alternative to the two largest networks – currently Visa and Mastercard.

The Credit Card Competition Act will introduce much-needed competition, opening the door for other payment networks to compete on price and security. While Visa and Mastercard claim these high fees enable lavish credit card rewards programs, the Federal Reserve has found that individuals in every income bracket pay more in swipe fees than they recoup in rewards. Also, credit card rewards programs still flourish in countries where fees are much lower.

Ultimately, swipe fee reform will benefit consumers and small businesses, ranging from grocery stores, gas stations, restaurants, and convenience stores, saving them billions. For these reasons, we strongly urge swift passage of the Credit Card Competition Act to address this problem.

Signed,

Demand Progress  
American Economic Liberties Project  
Americans for Financial Reform  
Consumer Reports  
National Association of Consumer Advocates  
National Community Reinvestment Coalition  
Open Markets Institute  
Public Citizen  
Tzedek DC  
U.S. PIRG  
Institute for Local Self-Reliance  
Groundwork Collaborative  
Future of Music Coalition  
Main Street Alliance  
Small Business Majority  
Hispanic Leadership Fund  
Consumer Action