

## **Statement: Consumers' Association of Canada responds to ruling of the Competition Tribunal**

July 23, 2013 (OTTAWA): The Consumers' Association of Canada made the following statement in response to the decision of the Competition Tribunal to dismiss the application brought by the Competition Bureau against the rules of Visa and MasterCard requiring that there be no surcharge and that merchants honour all cards

"The Consumers' Association of Canada is very pleased with today's ruling by the Competition Tribunal. We did not support the Bureau's original action against Visa and MasterCard because it did not take consumer interests into account. The CAC believes both the no surcharge and honour all cards rules are important for consumer protection and to ensure that consumers have an appropriate choice of payment methods.

The Tribunal made the right decision. Where surcharging has been allowed, as in Australia and the United Kingdom, investigations have found out-of-control merchant surcharging on consumers. In fact, it has become so bad that Australia is now taking steps to curtail excessive surcharging. Consumers should not be asked to pay for the privilege of paying a merchant (other than for the cost of goods) in order to make a purchase. And no country in the world has abandoned the honour all cards rule, which would have created chaos at the point of sale if struck down.

Both these issues were discussed in the development of the *Code of Conduct for the Debit and Credit Card Industry in Canada* – and both were dismissed for being anti-consumer. Consumers expected merchants to abide by the terms of the Code, but instead they have continued to pursue legal and lobbying efforts to impose these and other anti-consumer measures.

Merchants should remind their association representatives that they have no business without customers. Customers will shop where they do not have to pay for the "privilege" of shopping in that store. If merchant associations continue to lobby for anti-consumer measures, consumers should avoid those merchants. Smart merchants will recognize that today's decision protects them from anti-consumer measures pursued by their associations with no regard for their impact on sales and customer relations. Now it is time to respect the political and legal decisions that have been made and end this debate."

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