

From: [REDACTED] >

Sent: Friday, 17 July 2026 1:01 am

To: [REDACTED] >

Cc: [REDACTED]

Subject: AW: Commercial Credit Interchange [REDACTED]

Thank you very much for your message. It is always very interesting to exchange views with other authorities on interchange fees, as the issues and the arguments put forward by the various market participants tend to be very similar across jurisdictions.

Following your message, we took a first look at both the proposed and the existing regulatory framework in New Zealand. We noted with interest that the interchange fee for contacted-card-present debit card transactions is set at 0%. In Switzerland, we also had zero interchange fees for debit card transactions for many years. However, this changed with the rise of online and mobile payments, when the previous approach was abandoned.

I will be happy to try to answer your questions below. Our responses are not confidential:

1. In the case that these rates were negotiated with the schemes, how was this negotiation initiated, and what was the rationale provided by the schemes for agreeing to align commercial credit interchange with personal credit?

The Swiss approach to interchange fees for credit cards dates back to an amicable settlement reached in 2005 with the Swiss issuers and acquirers, which at the time were responsible for setting domestic interchange fees. The settlement was reached following an investigation by our authority into a potential infringement of Swiss competition law. We concluded that interchange fees constitute price agreements, but that they may be justified on grounds of economic efficiency, provided that the fees are not set at an excessive level. At that time, the benchmark for determining the interchange fee was based on the issuers' costs (cost-based approach). In addition, it was decided to set a maximum weighted average interchange fee, allowing for different interchange fees across industries and transaction types while ensuring that the overall weighted average did not exceed the agreed cap.

The decision did not distinguish between business cards and consumer cards but applied equally to both categories. This approach remained unchanged in two subsequent decisions, which further reduced the interchange fees. One possible explanation is that business cards still represented only a relatively small segment of the market and that, despite the regulatory intervention, the permitted interchange fee remained

comparatively high. Today, the weighted average interchange fee is 0.44%, based on a benchmark comparing interchange fees with the costs of cash.

2. What was your rationale and justification for setting interchange at the same level for commercial credit and personal credit?

The rationale for maintaining the equal treatment is twofold. First, it prevents the interchange fee caps applicable to consumer cards from being circumvented through the increased issuance of business cards. Second, and more importantly, the benefits associated with business cards accrue primarily to the corporate cardholders and their employers. There is therefore no apparent justification for requiring merchants to finance those benefits through higher interchange fees.

3. How did you consider the different costs and benefits associated with commercial credit cards compared to personal credit cards? Specifically, how did you consider this difference relates to the appropriate interchange fee level?

We did not examine or quantify any differences in the costs associated with business cards and consumer cards. Moreover, the test applied in the most recent credit card decision did not base the interchange fee on issuers' costs or on ensuring cost recovery for issuers. Instead, the level of the interchange fee was determined on the basis of the tourist test, according to which merchants should be indifferent, from an economic perspective, between accepting a card payment and a cash payment. Finally, in the more recent debit card decisions, the primary consideration is that the interchange fee should be sufficiently high to support innovation. In the domestic market, we likewise applied the same approach to consumer and business cards, not least because business debit cards play only a very limited role in Switzerland. By contrast, in our negotiations with Visa regarding cross-border interchange fees, we accepted higher interchange fees for business cards. Given the widespread differentiation between consumer and business cards across Europe, reaching an agreement would otherwise not have been feasible.

4. Are there any unique characteristics of your country's payments market that make it more appropriate in your jurisdiction to not apply the premium typically observed on commercial credit interchange (relative to personal credit)?

No, we do not consider the Swiss market to have any particular characteristics in this respect.

5. Have you noticed that adoption and usage of commercial credit cards has been dampened by lower interchange fees to a sub-optimal level? Was the potential of reduced availability/usage of commercial credit cards considered when setting rates/caps?

No, to date we have seen no indication that the equal treatment of business and consumer cards has had any adverse effect on the uptake of business cards. In our view, business cards primarily offer benefits to businesses themselves - such as facilitating

expense management - which exist independently of any additional cardholder benefits that may be provided.

6. Do you consider scheme commercial credit cards to be a vital payment method in your economy, specifically for small and medium-sized businesses? Do you consider a withdrawal of these products from your market a credible possibility and/or a significant concern for your economy?

We have not conducted any empirical assessment of this issue. However, we assume that business cards are an important product for certain companies, particularly larger businesses that provide credit cards to a significant number of employees. That said, we do not consider it realistic that the card schemes would withdraw this product from the Swiss market, nor do we regard such a scenario as a significant concern for the Swiss economy.

We would also like to make one observation regarding the argument in the Oxera paper that lower interchange fees for commercial cards would lead to higher costs for merchants. This argument closely resembles the broader claim, frequently advanced by the card industry, that merchants derive substantial benefits from accepting payment cards - a proposition that has consistently been disputed by the merchant side. In Switzerland, the recent discussions surrounding the CTA have again demonstrated that merchants do not perceive themselves as beneficiaries. This is all the more so because, under the Honour All Cards Rule, they cannot refuse acceptance of more expensive card products, while the No Surcharging Rule prevents them from passing the higher acceptance costs on to cardholders.

We hope that these answers are helpful. Should you have any further questions or wish to discuss these issues in more detail, we would of course be happy to speak by phone at any time.

Kind regards,

[Redacted]

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Head of investigations

Competition Commission, Secretariat
Service services

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