

Media Contact

Anthony Hulen
(703) 276-3887
ahulen@cbanet.org

GAO Report: Credit Card Competition Benefits Consumers & Merchants

The Government Accountability Office's study of credit card interchange fees is just the latest example showing how American consumers and merchants benefit from credit card competition, and why Congress should not change existing policy.

"The GAO reaffirmed what banks and consumers already knew," said Consumer Bankers Association president Richard Hunt. "Consumers win with credit card competition and lose without it. Banks-not merchants-assume the risks on credit purchases and do this so their customers, both individuals and merchants, are well-served and businesses can grow with the increased sales and reduced labor costs that credit card purchases bring with it."

Hunt said the report also further proves that Congress should not get involved in the matter.

"This report from the government's chief watchdog for accountability, reliability and integrity should be the final word from government here," Hunt added. "This is a business-to-business issue, as Chairman (Barney) Frank and other lawmakers have observed. Any action Congress takes on this can only mean bad news for consumers and small business."

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The Consumer Bankers Association is the recognized voice on retail banking issues in the nation's capital. Member institutions are the leaders in consumer financial services, including auto finance, home equity lending, card products, education loans, small business services, community development, investments, deposits and delivery.

CBA was founded in 1919 and provides leadership, education, research and federal representation on retail banking issues such as privacy, fair lending, and consumer protection legislation/regulation. CBA members include most of the nation's largest bank holding companies as well as regional and super community banks that collectively hold two-thirds of the industry's total assets.