

On Friday, July 13th, 2012 it was announced that Visa, MasterCard, and a number of large credit card issuers had reached an out of court settlement with US merchants regarding a Class Action Lawsuit on Interchange and card rules.  The settlement is complex and impacts an estimated 7 million or more merchants, not just those involved in the Class Action suit.  The MRC doesn't get involved with regulatory and pricing issues, however, we had so many merchant members contact us about it, that we wanted to make sure you were aware of the potential impacts on both the US and European merchants processing with US acquirers.

There are many places to read press on the settlement, like the [Seattle Times](http://r20.rs6.net/tn.jsp?e=001yTgiyGVadum8ha9M_TgoDz616NWvPPdMfUyHKi5JNLZP_dwZQtqukfWt5EEMru2fcMSstkPSFtWn90X-TYkNExRU7YBfzL1BuD7YO8lJ4an5mQEzQOc6oqjCRLSH1peBB7sgu4bqHDWZj2gDw8muPC3PhMeEKo1poZxcGUqyNvmReCgX8qMv8K7M1c-bWR4eTs2EPknjwnLlhP-Md9lNkZBKqtHVP90hveu3TbZJbHcsWnE7-EG1RLy7b8y922UO8TjvV3AV_aOacDy2j9iRVrrUNX4HtxJ7dPS0MJSmWOFgzURaocW6BxJ5mBL_ozgmkURjljRRuB1f5jA0HFCqPg==), [ABC News](http://r20.rs6.net/tn.jsp?e=001yTgiyGVadumpe8FQA09EUl7rP52h5wDc520oRC0YPZxfqdghJFQu5QJOx5WbEferIwtXcmSZvQf9hREjnfwIKlvz-LNmlb6b2k7ggSdQDRFBLv_PoHAg6aWvNfTPDCU1yrwhlCBR9HTNoAyV1T7elGpMtJI5cGHg4fIXTdI8pHOz-evRO3FYV7JQlfooQ9MnP9dpD3ZPKK8Esdo2ZgCMyvQ2_1byxKFLGOhxHlRgJN2EhJp-JH3fjDUSgiEjY2C0mfO5FveCoy_CNhPjEMPhTtiKtZJzG63rovR_86kR-IertL-tdR4d9flBYZKU_jhlxKoObGrfsc6LwNtUe3gD1wqh-eDNc1x7x9_syLmsjQAHRJJKQFvNq6pb7GeSy1-rQfDwp-sjB7Q=) and the [Chicago Tribune](http://r20.rs6.net/tn.jsp?e=001yTgiyGVadum5EtE2LQxCoB8-LjancbrKtIlsR4wZvzwvBx-PIeWDSeT3S7lbO13tuvcsX8KM0j67mP-7z3mH_A2j01FAb45oU2aU3nIOLxumqZnIeFSBrq56wYK2LmTyJr7IdQwcgg3EiDA65Ys4XaIPJDECDFTiM_6RHE1LBtt_hzVd7g-e8LlVsVWKcUt8pTP9uVxd4K-bO4EWY2IC7bHLLZ9VuHnOaQ__zcIwd6Jqy00eMcrppCNqTjdJikZDh0AurouAP8YnZtPXOIuCfeQpI2KZbdVD3-AJegrtEoCu_7HMlkHe1zdsceNbgxIkjlKuwZf0W4M-Z_IXTTLg4xMRa8bC43gJ8XybYYZxWzoDET10p4C1DFP1DRov0XTD7ZhCyX2h3y-2hVk83RKK9XpD5d3MCVaOPmwxhfqW1pp2RJ7T35SriQ==).  Also, the lawyer for the plaintiffs in the case has published his [own set of documents](http://r20.rs6.net/tn.jsp?e=001yTgiyGVadum7dHAcctIvLg7mILNwRCX2Zelq9eJf-YPEdxK03b6e2rYyCAlrkiC0LitO08dkXpjLcs0GWede6M-QGh1l8Ffd7f2eqtd7rugKxo-ZmlY9AQUowKGhKWotRuquWBAuUENr0lAS7hqE6I_buS-73ELGO0xjNud5khD0QtB1ds0j8HMIpJpMTZAuB_lXZoyKfUt8SJrpqfh7BSkrrfH5-YwGgk72lJ6jJKAaMmGj14C2Dj8_W1W3Fc6dTrVUtKQGn7q6GHNKJ3eWgaSdtPpq5JfxtDsDvTiz5peVIWZuim_C9Laa0mA8RX2wCpVUZenoqgmTZupbVLJ20MAh5kc0Nu_-KEbl9hTFW39LK1n_dwVHdyRWgFy1QbMAj1uFkA29e9EOe57fdj-iYwp99dH3mtrY1mmKXyvsqDowX9RR-iTdaNBJMuLqa2Fnto7u27Yz3PEZRjcMZDzDKts7R2GJcbyZ3j6yUKtDjoE=) about the settlement, specifically designed for merchant consumption.  Although this settlement decision will not go into effect until after a judicial approval is received, the fact that merchants will be allowed to steer consumers toward less expensive methods of payment than credit cards...i.e. be able to charge consumers for the interchange fee, and, for applicable merchants, swipe fees will be reduced over an 8 month period, is significant industry news.

It is likely that your legal counsel and treasury teams are already involved with this, or informed of the settlement, but we wanted to acknowledge the importance of these occurrences and the impacts it may have on your business.  Depending on who you consult,  there are differing opinions on whether this is a good deal for merchants or a pittance of what is deserved.  The reality is that the power dynamics in the four party electronic payments system are adjusting in front of our eyes.  We will continue to monitor this issue and other relevant changes in the payment landscape as we build our final presentations for our Rome and Seattle agendas.

***- The MRC***