



31.7.2017

NOTICE TO MEMBERS

Subject: Petition 1497/2016 by Panagiotis Leliatsos (Greek) on the abusive bank fees imposed on businesses for electronic transactions

1. Summary of petition

The petitioner refers to the capital controls introduced in Greece on 28 June 2015, which forced many Greek citizens to use debit/credit cards for their daily transactions, and enforced the installation of POS terminals in businesses. He complains that under this pretext, commercial banks charge retail businesses with excessive fees, which sometimes amount to 3%. This breaches Article 4 of Regulation (EU) 2015/751, which clearly defines a fee of 0.3% for credit cards and 0.2% for debit cards. He accuses the Bank of Greece of applying this Regulation poorly and the Greek Ministry of Finance of delaying harmonisation, and asks the EU to intervene.

2. Admissibility

Declared admissible on 21 April 2017. Information requested from Commission under Rule 216(6).

3. Commission reply, received on 31 July 2017

Regulation 2015/751 on interchange fees for card-based transactions was adopted in April 2015 to address the wide variety of collectively-agreed fees across the EU. This Regulation sets upper limits to the interchange fees charged by payment card schemes to merchants for card payments carried out by consumers. The rules on interchange fees, as stipulated in Articles 3 and 4 of the Regulation, have been applicable since 9 December 2015.

Because it is a Regulation, it is directly applicable to businesses that operate in the EU, without any need to incorporate it in national laws.

If citizens have any concerns about businesses' compliance with the Regulation, they have to

approach the national supervisory authorities as well as other judiciary and out-of-court redress bodies responsible for assessing this type of query.

The Greek government has not yet notified to the Commission the competent authorities empowered to enforce the Regulation and the bodies responsible for out-of-court complaint and redress procedures, as requested in Articles 13 and 15 of the Regulation.

The Commission will contact the Permanent Representation of Greece to the European Union as rapidly as possible and flag the obligation to notify the competent authorities empowered to enforce the Regulation and the bodies responsible for out-of-court complaint and redress procedures. The Commission will then inform the petitioner of the outcome.

The petitioner also refers to excessive fees of up to 3% charged by commercial banks to retail businesses for accepting card payment transactions. It has to be noted that merchants are not only charged the interchange fees. The banks providing services relating to the payment cards generally charge a fee that is commonly referred to as the merchant service charge.

Merchant service charges include interchange fees, but also other types of fees and charges that are meant to cover the costs borne by a payment card transaction. The Regulation imposes caps only on interchange fees, whereas any other costs included in the merchant service charges are set freely in the market, and thus are not subject to the Regulation.

Furthermore, the Regulation imposes caps on interchange fees only concerning consumer cards (debit and credit), while other types of cards such as commercial cards may incur fees and charges that are not regulated. For example, in Greece interchange fees appear to be set to 1,40% of the value of transactions for Visa-branded commercial cards¹, whereas for MasterCard branded commercial cards the interchange fees can be up to 1,80% of the value of transaction².

Conclusion

Against this background, the Commission will contact the Permanent Representation of Greece to the European Union as rapidly as possible and flag the obligation to notify the competent authorities empowered to enforce the Regulation and the bodies responsible for out-of-court complaint and redress procedures. The Commission will then inform the petitioner accordingly.

Retail businesses and any other affected parties should address their complaints on the implementation of the Regulation to the competent authorities or to out-of-court redress bodies that the Member State concerned has designated for enforcing the Regulation, or ultimately to national courts to seek appropriate redress measures.

¹ https://www.visaeurope.com/media/images/greece%20@%202017_01_26-73-17786.pdf

² <https://www.mastercard.com/us/wce/PDF/Greece.pdf>