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Costs down, convenience up for payments in Europe

The security and convenience of card, online and other payments have been enhanced as the European Parliament voted today to update the EU's Payment Services Directive. MEPs have also decided caps on credit and debit card fees which banks charge to traders.

Positive elements include:

- A prohibition on card surcharges e.g. when buying travel tickets online.
- Decreased consumer liability in fraud incidents.
- An unconditional refund right for direct debits e.g. when goods are not delivered.
- Companies using your banking interface when buying online must observe strict security measures such as ensuring sensitive account data is not given to third parties.

Monique Goyens, Director General of The European Consumer Organisation, commented:

"Consumers want their money to be safe and have easy remedies if things go wrong. So we welcome the consumers' fraud liability will decrease from €150 to €50. Member States can even scrap this fee altogether.

"It is clear, valuable progress that the majority of consumer card surcharges will be banned¹. This will stop this frustrating practice which leads to inflated prices when booking travel or sports tickets online. However welcome, it is only a first step. Consumers should be shielded from any surcharges when using any means of payment. It is absurd people are charged when paying for something."

Interchange fees on credit card transactions will be capped at 0.3% of the transaction amount. The cap for debit cards will be 0.2% or a maximum of €0.07. Interchange fees have to be handed over by the retailer to the consumer's bank every time a consumer uses a credit/debit card.

Monique Goyens added:

"European and national courts have repeatedly ruled these interchange fees unjustified. A cap on credit and debit card payments will make transactions significantly cheaper which would allow retailers to stop adding on this cost to the price of their products."

ENDS

See our [factsheet](#) on multilateral interchange fees.

¹ 3-party cards like American Express and Diners Club have been excluded from the surcharge ban.