

A man and a woman are standing in a warehouse, looking at a tablet together. The man is wearing glasses and a light-colored shirt, and the woman is wearing a light-colored shirt. They are both looking at the tablet with interest. The background shows high industrial shelving units filled with boxes.

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B2B ACCOUNTS RECEIVABLE QUARTERLY UPDATE

Visa and Mastercard Proposed Antitrust Settlement



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Last week Visa and Mastercard announced a \$30 billion settlement to a long-standing 2005 antitrust lawsuit. This lawsuit was brought forward by merchants and trade associations. If the settlement announced March 26, 2024 is approved by the courts, it has the potential to change how some transactions may be processed while providing a reduction in costs, or at least putting a cap on some fees for a while.

The proposed settlement calls for the following:

- Reduce swipe fees by at least 4 basis points (0.04%) for a three-year period
- Ensure an average interchange rate that is 7 basis points (0.07%) below the current average rate for five years
- Cap interchange rates for five years and remove anti-steering provisions, and
- Allow merchants more discretion in offering discounts or imposing surcharges on cards with higher interchange fees

This proposed settlement will need to be ratified by the courts before becoming effective.

This seems simple enough. However, if you understand how your order-to-cash channels really work when accepting credit cards as a form of payment, you know the cost of acceptance can vary a great deal based upon several factors. *What type of credit card is being presented? How is it being presented...at the counter with a swipe, dip or tap transaction or in a card-not-present environment?* When credit card interchange fees were altered in 2021, they represented a massive change. The card brands eliminated Level III processing as a technical solution and changed pricing tiers while targeting card-not-present transactions. If you monitored your credit card interchange rates you saw an increase in ultimate processing costs. If your company put in a compliant surcharge program you likely saw continued adoption of lesser-cost payment types (debit card, ACH, eCheck and cash). Our whitepaper on those credit card cost changes can be requested [here](#).

The devil is truly going to be in the approved details. Our B2B experts at Unified A/R will keep your team advised once the settlement arrangements have been approved.

About Unified A/R

Unified A/R simplifies accounts receivable with best-in-class, cloud-based solutions and ongoing consultation from B2B A/R experts to help you get paid faster at reduced cost while improving your customers' experience. Unified A/R's Executive Team brings more than 150 years of combined management success from the payment and finance industries and has partnered with many of the nation's largest Trade and Professional Associations, Financial Institutions and Technology Firms.

About the Authors



John Perez
Chief Executive Officer

As CEO, John sets Unified A/R's strategic direction while aligning procedures and resources to optimize efficiencies across the entire organization. Prior to Unified A/R, John held executive roles with Fifth Third Bank and BB&T, now Truist, where he was a driver of success and process improvement.



Madeline W. Long
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As Vice President of Enterprise Solutions, Madeline oversees post-implementation client success and ongoing support. With nearly two decades in Payments and SaaS, Madeline is an integral part of making Unified A/R the leader in A/R Automation technology.

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for your business, visit the resource library at
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