

## FEEDBACK FORM

Name of undertaking: Chacalli De Decker

Industry Travel Retail & Diplomatic

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Participated in the questionnaire:

- Yes ☐
- No ☐

Specific questions from Executive Summary:

### A. Financial analysis of the industry

1. Are high merchant fees a competitiveness issue for the EU economy?

Yes, high fees leads to higher prices, less competitive pricing, less customers.

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2. Are there compelling justifications for the comparatively high level of merchant fees observed in some parts of the EU25?

NO, Monopolistic control, different charges in the same country , different charges across borders, yet processing costs are identical, charges levied based on how big your business is, totally unjustified.

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3. In view of the apparent profitability of card issuing, is there a generally applicable justification for substantial revenue transfers through interchange fees in card payment systems?

The issuing banks advantage to cardholders, effectively cause an increase in the cost of goods even for non card using customers.

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4. Are the high profits observed due to innovation or do they arise from some kind of market power in a two-sided industry?

Nothing to do with innovation, often highest fees are in lower end markets.

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5. What pricing practices, rules and legal provisions distort price signals to consumers and the choice of the most efficient payment instrument?

Business cannot offer discounts or additional charge on card used by the card owners

6. Would cost-based pricing promote the use of efficient payment instruments and how could such pricing be implemented?

Business should be allowed to make the cost of the card transparent and offer alternative payment mechanism.

7. Do currently existing pricing practices have a substantial negative effect on cross-border card usage by consumers?

Customers probably do not understand the costs, they are mainly borne by the Business .

## **B. Market structures, governance and behaviour**

8. What market structures work well in payment cards?

Best would be no interchange fee, i.e. national debit card.

9. What market structures do not appear to work well / deliver efficient outcomes?

The total lack of competition, raising the costs of goods globally.

10. What governance arrangements can facilitate competition within and between card payment systems?

All members need to be involved, hence eliminating the sharing of business sensitive information.

11. What governance arrangements can incentivise card payment schemes to respond to the needs and demands of users (consumers and merchants)?

Transparency of costs, level playing field on the costs, alternative payment mechanisms

12. What governance arrangements can allow minority participants or minority members to receive appropriate information and participate appropriately in decision-making?

Openness on a common objectives to break the dualistic control that Visa/MasterCard have.

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13. What access conditions and fees are indispensable?

M' ship fee aligned to service received. Pay for the service we receive at an appropriate and equal level.

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14. To what extent is separation between scheme, infrastructures and financial activities desirable to facilitate competition and efficiency?

More competition always leads to prices reductions and a matrix of USP's.

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### **C. Future market developments**

15. Are significant structural changes to be anticipated in the payment cards industry?

Sepa, may lead to some consolidation of the providers.

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16. What are the anticipated impacts on the industry of innovation and technological change?

Smarter cards, customer could decide at point of transaction whether debit or credit?

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### **D. Potential solutions to market barriers**

17. How can structural barriers to competition, which may arise for instance from the integration of different functions within a payment system or from acquiring joint ventures, be tackled?

Remove the barriers to entry, so not just banks can participate.

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18. Are there compelling justifications for the identified possible behavioural barriers to competition?

NO- it only maximises profit and marginalises competition.

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19. How much need and scope is there for harmonising technical standards in the payment cards industry? How large are the potential benefits and costs of harmonisation?

Harmonisation will always lead to measurable benefits.

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## **E. Lessons for SEPA**

20. What lessons (best practice) for the design of SEPA schemes can be learnt from existing national and international payment systems?

It should be based on the best model and not the average of the controlling Four.

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21. How could competition between schemes in SEPA be strengthened?

Not allowed to become a tool of the card companies

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22. Which structural and behavioural barriers to effective competition between banks and payment service providers should be removed to achieve SEPA?

MIF is not necessary, therefore base it on a National Debit card.

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23. What governance requirements should SEPA schemes meet?

Straight open membership.

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24. By what means can interoperable communication protocols, security and other technical standards be achieved and certification procedures be limited to the minimum necessary?

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25. Do the removal of barriers to competition, the observance of pro-competitive governance and the creation of interoperable standards require (further) regulation?

SEPA self regulated , monitored by the commission.

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General comments:

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General questions:Ü

1. Did you find the content of the report easily accessible and understandable?
  - yes, fully;Ü
  - the report was too general;
  - the report was too technical.
2. Did you find that the level of detail in the report was:
  - about right;Ü
  - not sufficiently detailed;
  - too detailed.
3. Did the information contained in the report was:
  - generally new to you/the payment cards industry;Ü
  - mostly known to you/the payment cards industry.
4. Did the market analysis in the report:
  - confirm your views on the operation of payment cards market;
  - challenge your/industry's views on the operation of payment cards market;
  - represent a mix of both aspects.Ü
5. Did the report raised the right policy issues;
  - yes, covered most of the key issues;Ü
  - no, there were some significant issues left out.

**Thank you for your contribution!**