

Credit Card Interchange Fees: Issues and Answers

**Prepared for the House Judiciary Committee
Antitrust Task Force**

**In Response to Questions Raised by
Congressman Ric Keller at the July 19, 2007
hearing of the Antitrust Task Force, entitled,
“Credit Card Interchange Fees”**

**The Merchants Payments Coalition
September 14, 2007**

Executive Summary

On July 19, 2007, the House Judiciary Committee Antitrust Task Force held a hearing on “Credit Card Interchange Fees.” Near the conclusion of the hearing Congressman Ric Keller identified six discrepancies between retailer and credit card company testimony. The following is a concise response provided by the Merchants Payments Coalition (www.UnfairCreditCardFees.com) to each discrepancy raised by Congressman Keller. The six areas of discrepancy involve:

- **Operating Rules**
- **Discounting for Cash**
- **Bargaining Power/Market Power**
- **Lack of Benefits of Interchange Fee to Consumers**
- **Price Controls or Competition**
- **Honor All Types of Cards**

Do Visa and MasterCard keep their rules a secret?

The retailers say they just want to be able to see the Visa and MasterCard operating rules, but they're kept secret from Congress and the public. The credit card companies say their rules are posted on their websites for anyone to see.

The facts:

While both Visa and MasterCard have put limited information about their operating rules on their websites, their complete operating rules are not available to consumers, Members of Congress, or congressional staff members. The only way retailers can view the complete set of Visa operating rules is to sign a non-disclosure agreement that forbids them from discussing the rules publicly. The complete set of MasterCard operating rules is not available to retailers.

Are merchants allowed to give discounts for paying cash?

Retailers say they can't offer their customers discounts for paying with cash or debit cards. The credit card companies say merchants are free to offer and advertise cash discounts.

The facts:

While federal law prohibits Visa and MasterCard from preventing merchants from offering cash discounts, their rules make it extremely difficult to do so. The rules governing cash discounts are confusing, and Visa in particular has aggressively tried to characterize some legitimate cash discounts as prohibited surcharges. Visa has even threatened some merchants with fines of \$5,000 a day for offering cash discounts.

Can merchants negotiate rates with Visa and MasterCard?

Retailers say they don't have the bargaining power to deal with credit card companies. They say it is a “take it or leave it” situation because Visa and MasterCard together control 80 percent of the credit card market. The card companies say that retailers can indeed bargain over credit card interchange rates and that big retailers have used their bargaining power to negotiate lower rates.

The facts:

The courts have found that Visa and MasterCard dominate the credit card market and have violated antitrust laws. Merchants are not a part of the negotiating process between the card companies and their member banks when interchange fees are set. A study by the Kansas City Federal Reserve Bank found that because of the popularity of credit cards among consumers, merchants realistically have no choice but to accept Visa and MasterCard, regardless of the credit card interchange fee.

Do interchange fees benefit the consumer?

Retailers say that when interchange fees increase, it hurts consumers. The card companies claim that when interchange fees increase, cardholders benefit because higher interchange fees go to pay for increased cardholder benefits.

The facts:

While consumers who qualify for premium rewards cards may get benefits, everyone else has to pay for them in the form of higher prices. Merchants get no benefit from interchange fees, and because the cost of the interchange fee often exceeds their profit margin, many merchants are unable to offer their own rewards programs that would benefit all customers.

Do retailers want price controls?

Retailers say they want competition, not price controls. The card companies say merchants just want the federal government to impose price controls on credit card interchange fees.

The facts:

Merchants have not advocated price controls on interchange fees, either in testimony or in private meetings with Members of Congress or their staffs. Visa and MasterCard's claims that merchants want price controls are completely false.

Are merchants required to honor all cards?

Merchants and the card companies agree that if a store agrees to honor Visa or MasterCard it must accept all the various types of cards they issue, even premium cards that carry a much higher interchange rate. One solution might be to give merchants the freedom to turn down some of these big-ticket premium reward cards that carry high interchange rates.

The facts:

Merchants feel that the "honor all cards" rule is a big part of the problem. Retailers who accept Visa or MasterCard credit cards are required to accept all types of Visa or MasterCard credit cards, even those newly introduced premium rewards cards, corporate cards, fleet cards and small business cards with much higher interchange rates. And retailers are unable even to identify at the checkout which is which.

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(1) Operating Rules

Congressman Keller:

“The retailers say we just want to be able to see these Visa and MasterCard operating rules, and they're kept secret from us and the public. Mr. Muris, on behalf of the credit card companies' banks says, ‘No, we don't keep them secret. They're right there on the website. Anybody can see it.’”

The facts:

The complete operating rules do not appear on any public website that retailers, Members of Congress or congressional staff have access to.

Both **Visa and MasterCard** have some summary information available on their web sites about the operating rules, but it is not a complete copy of the operating rules. And the problem is that Visa and MasterCard member banks and processors use hidden parts of the rules against merchants every day. Merchants get told they have done things wrong, won't get some or all of the money they are due, must change their practices or may get fined – all based on hidden rules they cannot see.

MasterCard offers on their web site, a 268 page summary “Merchant Rules Manual” of the larger operating rules document that is expected to be in excess of 1000 pages that “contains excerpts of MasterCard member publications that provide information about standards applicable to MasterCard merchants.” The website link goes on to suggest that if merchants have questions about this manual, “please contact your acquirer.”

http://www.mastercard.com/ca/wce/PDF/14437_MERCHANT-RULES-Manual.pdf

Visa offers on their web site, a 138 page summary “Rules for Visa Merchants: Card Acceptance and Management Guidelines” of the roughly 1000+ page Operating Rules. Visa clearly states that these guidelines are not intended to be the complete operating regulations. For example, in Visa's disclaimer on page 4 of the document, merchants are warned, “This guide contains information based on the current *Visa U.S.A. Inc. Operating Regulations*. If there are any technical differences between the *Visa U.S.A. Inc. Operating Regulations* and this guide, the Visa U.S.A. Inc. Operating Regulations take precedence over this guide or any updates to its information. For further information about the rules or practices covered in this guide, contact your merchant bank.”

http://usa.visa.com/download/merchants/rules_for_visa_merchants.pdf?it=c/merchants/|Rules%20for%20Visa%20Merchants

Within the past year Visa has indicated they would be willing to provide “qualifying” U.S. merchants with access to operating regulations in an effort to help fulfill requests for more clarity about the Visa system.” They define “qualifying” by saying “eligible merchants must currently accept Visa and have a valid contractual agreement with an acquirer (Visa member financial institution). Qualifying merchants and agents are required to sign a non-disclosure agreement NDA before gaining access. Very few merchants have agreed to these conditions for the following reasons:

1. Merchants want a complete paper copy of the rules or a copy that is printable from the website. Until this year, even the 138 page “summary” version of Visa guidelines was password protected and unable to be printed. It is unreasonable to ask a busy merchant to comply with and search a 1,000+ page document on the Internet that they are unable to print or refer to an internal or external expert to determine the impact of particular provisions.
2. Why would a merchant have to agree to abide by the rules before they can see them? That is what Visa requires.
3. How many merchants can read a 1906 page rules and regulations document without asking anyone for help in understanding and interpreting it? Agreeing to a non-disclosure agreement would effectively institute that type of situation for merchants.
4. Why would merchants give up their ability to talk about the rules to advocate for their rights? They want Congress to act. If they can’t talk about they rules then their efforts will be hamstrung – and Visa knows it.

The card associations say this is all you need to know. What makes retailers or Members of Congress think there is more information that is not being disclosed?

“For those of you who have seen Visa’s operating regulations book, it is about the size of the New York telephone book,” said Visa U.S.A. Executive Vice President, Interchange Fee Strategy, William M. Sheedy in response to a question by Mallory Duncan at a Federal Reserve Conference in Santa Fe, New Mexico, May 4-6, 2005 about the rule that prevented retailers from seeing the rules.

<http://www.kansascityfed.org/PUBLICAT/PSR/Proceedings/2005/05prg.htm>

The January 2006 Manhattan White Pages is 1906 pages long. The summary on the Visa web site is 138 pages. And, as noted above, merchants learn about new rules that don’t appear in the summaries on a frequent basis and are penalized for it.

(2) Discounting for Cash

Congressman Keller:

“Retailers said, ‘We can't advertise or offer cash discounts or debit card discounts. In fact, Visa threatened some California gas station for offering lower cash prices.’

Mr. Muris said, ‘Not true. You can offer lower prices, cash discounts, offer debit card discounts, advertise it if you want...If the merchants want, they can offer a discount for cash, and they can advertise it. There's nothing that prevents them from doing that. In fact, some merchants do...Merchants can discount for cash. They can disclose all this information. They can steer. They can have people use debit. They can have people use Discover. There are lots of things they can do.’”

The facts:

The language in the Visa operating rules is found in the section on surcharging on page ten of the 143 pages excerpted from the nearly 1900 pages of operating rules. It reads:

No Surcharging

“Always treat Visa transactions like any other transaction; that is, you may not impose any surcharge on a Visa transaction. You may, however, offer a discount for cash transactions, provided that the offer is clearly disclosed to customers and the cash price is presented as a discount from the standard price charged for *all other forms of payment.*”

Signs, signs, everywhere a sign.

The interpretation merchants have been provided by Visa and MasterCard member banks and processors is that the regular and cash discount prices must be separately listed in each instance. If we take the case of Sears, for example, maintaining multiple prices on 100,000 different items is not an easy task. Indeed, it is virtually impossible to put and maintain (for price changes and promotions etc.) 200,000 prices on merchandise.

Even gasoline marketers hit a buzz saw.

Even in gasoline stations where cash discounting has been offered from time to time, it has largely been a function of the fact that they typically have a handful of fuel products and therefore would presumably have an easier time maintaining multiple price signs. But, even when you have that option, Visa and MasterCard are trying to stop merchants from doing it. Just this year, Visa challenged multiple gasoline retailers in California and threatened them with fines of \$5,000 per day for offering cash discounts. For example, a gasoline marketer in San Francisco that was trying to assist customers by offering a 10-cent a gallon discount for cash. He had a sign up that said, "Credit Price, Cash Price." And Visa said, "No way," essentially objecting to the use of the word “credit” because it did not want “credit” associated with the higher price.

Their solution? Tape over the word credit, or use either “standard” or “regular” to describe the higher price. Interestingly, this was not acceptable to the California Board of Weights and Measures as they felt it would confuse the consumer, but the marketer, faced with a deadline from Visa before losing his merchant account, acquiesced by covering the word credit. In this particular case, Visa eventually bowed to public and other pressure and this one station operator was able to continue offering the discount using language the consuming public understands. But the pressure on these merchants was immense and gasoline retailers in other states have bowed to Visa’s pressure and stopped offering cash discounts (or changed their signs in ways that made it more difficult for their customers to understand the discounts). Several publications wrote about these challenges by Visa and we have included some of those articles.

Discount from what?

Most merchants understand these rules to say that you can offer a discount for cash as long as the Visa price is prominent and that the cash discount is presented as a discount from the standard price charged *for all other forms* of payment. The first ambiguity lies in what is meant by presenting the discount as a discount from the “standard price charged for all other forms of payment?” For example, does it mean discounting is not permitted for card payments other than Visa products, like non-Visa branded PIN debit cards? Does it mean checks? Are they suggesting that all non-cash forms of payment must carry the higher price? Clearly, there is confusion over whether discounting is permitted under this rule for any payment product except a Visa product to the point where merchants are not clear whether they can discount for non-Visa debit card payments or other payments that are not credit payments.

Checks are particularly of interest as they still constitute a common form of payment today in some retail settings. Because they carry lower transaction costs, it is likely that merchants may want to discount for checks as well. Additionally, merchants with private label cards may have efficiencies that would support a discount for their use. New PIN based debit products are another lower fee option which adds to the “all forms of payment” problem. In today’s environment, we are not dealing with a straightforward two payment type system and the simplicity they assert of discounting for cash is clearly overstated. The written rule is open to many interpretations that make it virtually impossible to support. More importantly, it represents a mandate that dictates pricing policies that effectively remove pricing flexibility from merchants which would benefit consumers. Merchants clearly need further explanation of the policy, particularly given the large fines that have been threatened to some merchants who thought they were operating within the acceptable “discount for cash” policy.

One discount doesn’t fit all.

Finally, the facts are that there are dozens of differing interchange rates between the Visa and MasterCard brands. This is further multiplied by the different rates applied depending on the card type i.e. cards with higher rewards attached to them carry higher interchange fees to offset the cost of those rewards.

For the merchant, it is entirely possible, indeed probable, that if cash discounting was a straightforward, doable exercise, they would clearly want to consider not just discounting at a flat rate across the board for all items, but would want to offer those discounts based on the item being sold (or the card being used). For lower priced items like a candy bar, for example, the rate of the discount offered by the merchant might be less (or more) than what might be offered on a flat screen television. The point is that the rules and ambiguity around them, coupled with the complexity of hundreds of different interchange rates and the millions of items that merchants sell today, are not conducive to easy implementation from a technical standpoint.

Merchants have a right to retain pricing flexibility.

The bottom line is that federal law protects merchants' right to offer cash discounts, but the card associations have made it so difficult that in some instances they have deprived merchants of their ability to do so. Merchants should be able to discount for cash and for any payment type that is less expensive.

(3) Bargaining Power

Congressman Keller:

“The retailers said, ‘We don't have the bargaining power to deal with these credit card companies. It's take it or leave it, and we have to take it since they've got 80 percent market share, companies like MasterCard and Visa.’ Mr. Muris says, ‘Not so. Costco cut a deal with American Express using their bargaining power, and American Express typically had a higher merchant rate, 2.5 percent, more than MasterCard and Visa, so just cut your deal.’”

The facts:

- The courts have decided that Visa and MasterCard have market power. In fact, a report from the Kansas City Federal Reserve has concluded that merchants cannot realistically refuse to accept Visa and MasterCard.
- Bargaining power is so overwhelmingly tilted to Visa and MasterCard that they will not negotiate with merchants. Theirs are “take-it-or-leave-it” offers. Merchants can talk directly with American Express and Discover to negotiate, but Visa and MasterCard will not talk to merchants.

Summary

Both the Second Circuit Court of Appeals and the U.S. District Court for the Eastern District of New York have in the last few years found that Visa and MasterCard have market power. The Second Circuit (*United States v. Visa U.S.A., Inc.*, 344 F.3d 229 (2d Cir. 2003)) found that Visa and MasterCard had illegally prohibited their banks from issuing American Express and Discover cards in violation of the antitrust laws. This illegal behavior demonstrated the dominance of Visa and MasterCard over their member banks and showed that American Express and Discover do not have a sufficient portion of the market to counter this dominance. Faced with this dominant market position, merchants are given no opportunity to bargain with Visa and MasterCard. This is consistent with the finding in a recent report by the Kansas City Federal Reserve that concluded merchants cannot realistically refuse to accept Visa and MasterCard. F. Hayashi, “A Puzzle of Payment Card Pricing: Why Are Merchants Still Accepting Card Payments?” *Review of Network Economics* at 172 (March 2006) http://www.rnejournal.com/articles/hayashi_march06.pdf. It is also consistent with the result in the merchants’ litigation against Visa and MasterCard in the Eastern District of New York which resulted in one of the largest antitrust settlements in U.S. history based upon Visa and MasterCard using their market power to tie credit and debit products. See *In re Visa Check/Mastermoney Antitrust Litigation*, 2003 WL 1712568 at *3 (E.D.N.Y. April 1, 2003).

American Express provides a useful contrast to Visa and MasterCard. American Express does not have market power in most merchant categories and two things happen – first, retailers do have some negotiating power and secondly, if they do not like the rates, in many markets, they can choose not to accept the card. In contrast, the market power of Visa and MasterCard prevent them from allowing merchants the ability to negotiate and it also effectively forces merchants to accept the card at any price if they wish to remain in business.

(4) Lack of Benefits of Interchange Fee to Consumers

Congressman Keller:

“Retailers say that, when interchange fees increase, it hurts consumers and cardholders. Mr. Muris says, ‘When interchange fees increase, cardholders benefit. Higher interchange fee revenues to issuing banks result in increased benefits to users of payment cards, such as increased rewards and lower fees. These benefits come not only in the form of air miles, they also include rebates.’”

The facts:

Interchange fees are critically important to Visa and MasterCard, providing them with an ever-increasing revenue source that funds their activities to market and maintain their dominant market share. In fact, incentives such as “rewards” are a competitive weapon in the fight to maintain market dominance and provide greater benefit to the card companies than the consumer, cardholder or merchant.

Merchants – No Benefits

[A report published in 2006 by Diamond Management & Technology Consultants](#) concludes that – other than the cost of the transaction processing – merchants do not receive any benefit from the interchange dollars. It reads as follows:

“Consider the components of interchange pricing. Paying for issuer rewards programs consumes about 44% of interchange costs, but merchants get nothing out of these programs; they are competitive tools for issuers. Merchants likewise pay about 3% of their interchange dollars for association branding costs. Meanwhile, processing – the original reason for interchange – comprises only 13% of interchange costs. Given the merchants’ lack of perceived value for what they pay, the situation is clearly unstable.”

Consumers Pay for Interchange

All consumers shoulder the burden of interchange fees as the costs are passed along in the form of higher prices for goods and services. In fact, the average household paid more than more than \$300 in hidden interchange fees in 2006.

The U.S. Public Interest Research group concludes that the interchange fees are “especially pernicious and regressive” for the 27 percent of Americans who do not have credit cards. “The low-income Americans subsidize interchange fees for “services” that they are not eligible to use. No charge could be as regressive as one in which low income consumers receive no benefits.” Further, in a September 25, 2006 Washington Post article titled, “*Credit Card Companies Are Filling Up at the Station,*” Margaret Webb Pressler, writes that the credit card companies made an additional 2.2 billion dollars on the back of consumers due to rising fuel prices.

In addition, the Federal Reserve Bank of Kansas City, in a 2006 Working Paper, titled, *Payment Card Rewards Programs and Consumer Payment Choice* commented that “rewards programs and the accompanied merchant fee structure may work as tools that distribute income from low-income earners to high-income earners.”

Credit Card Companies and Banks Reap the Benefit of Rewards

Without interchange dollars, credit card companies would not be able to maintain their market share through direct mail and rewards. Consumers received nearly 8 billion direct mail credit card solicitations last year, a 30% increase over the prior year. Although the response rate (people who signed up for the card) is declining year after year, credit card companies pour billions of dollars into this effort. (http://www.cardtrak.com/news/2007/2/21/Card_Mail)

In an effort to shift their existing customers to cards with much higher interchange fees that are funded by merchants, credit card companies are using “rewards” as the primary incentive. The Diamond Report underscores this point, estimating that “rewards” accounted for 44 percent of interchange revenue and are “very useful as a competitive weapon in the fight for issuer market share.”

The Kansas City Federal Reserve paper shows that consumers with credit card rewards use credit cards more exclusively than those without credit card rewards. In addition, a report by the Tower Group in 2006 says “reward cards help increase card usage, customer retention and margins, but, they come with a cost to the issuing institution in terms of overall profitability.” www.cardtrak.com/news/2006/10/10/Reward_Cards

Interchange fees are critically important to Visa and MasterCard, providing them with an ever-increasing revenue source that funds their activities to market and maintain their dominant market share.

(5) Price Controls or Competition

Congressman Keller:

“Retailers say, ‘We don't want price controls. We want competition.’ Mr. Muris says, ‘Critics, including the merchants, want the federal government to impose price controls.’ Mr. Smith, on behalf of the retailers, who's the CEO of Food City and the Chairman of the Food Marketing Institute, says the supermarkets are hurting. Mr. Muris pulls out a letter, says supermarkets are doing great. They're not hurting.”

The facts:

- The mission of the Merchants Payments Coalition is to achieve a more transparent and competitive interchange fee system that benefits merchants and consumers. The MPC's statements and advocacy have remained true to this goal.
- Visa and MasterCard have repeatedly stated that merchants want government price controls. These inaccurate and misleading statements have been used primarily in the context of arguing that Congress should not examine the problems with the interchange fee system.
- It should not be acceptable for Visa and MasterCard to evade any attention on their antitrust violations simply because they have invented a potential remedy that they believe is advantageous to criticize.

Visa and MasterCard's claims that merchants want price controls are a classic red herring. They claim that merchants want a solution that merchants themselves have not advocated. In his prepared testimony for the Antitrust Task Force hearing on interchange fees, Mallory Duncan of the National Retail Federation explained this on behalf of NRF and the MPC:

“In my view, this hearing is not yet about solutions. It is the first opportunity for the Task Force to explore the issue. Visa and MasterCard consistently want to skip over anyone analyzing the actual problem and simply want to criticize potential solutions or regulatory schemes in other parts of the world. This is a convenient way for Visa and MasterCard to continue to keep their illegal behavior out of the spotlight and, they hope, cut-off discussion before Congress learns too much about what they have been doing. Suffice it to say that there are a broad range of legislative solutions – both within and outside this Committee's jurisdiction – that could improve on the current system. The antitrust problems and lack of a competitive interchange fee market cry out for solutions and there are many that do not constitute the government price control bogeyman that the credit card companies claim we want. Simply the act of holding this hearing and investigating the problem are large steps forward in the effort to inform people about these practices and find the right solution. We sincerely appreciate the Task

Force's interest and stand willing and able to work with all of you on this important public policy issue."

Steve Cannon of the law firm Constantine Cannon testified on behalf of the MPC before the Senate Judiciary Committee in July 2006 and, with respect to potential remedies, stated:

"A broad range of remedy options exist in an antitrust context. We take no position on these options now but air them simply as illustrative examples.

Antitrust remedies may include:

1. Simply holding the collective setting of interchange fees to be unlawful price fixing and leave it to the card associations and their members to comply with this prohibitory order.
2. Establishing "safe harbors" in a consent decree (before or after a finding of liability) between the parties that would not be considered to be antitrust violations.
3. Permitting collective negotiation between merchants (or classes) of merchants and a card system's issuing banks, regarding interchange fees, since it is the merchants (and their customers) who pay the cost of interchange fees. This Committee has experience in enacting a statutory framework where there is a need to reach agreement but the sides have multiple parties and unequal bargaining power.
4. Leaving it up to a federal judge to design a remedial scheme for the industry."

The merchants have consistently maintained that there are many potential solutions but that the first step is for Congress to investigate the problems with the current system of interchange fees. Visa and MasterCard's statements to the contrary are misleading and inaccurate and do a disservice to the Committee.

(6) Honor All Types of Cards

Congressman Keller:

“Well, here's my one area of agreement that I've seen. It seems that people at least agree, pursuant to these operating agreements that Visa and MasterCard issue, if there is a company such as Mr. Smith's company, Food City, and they agree to accept Visa, and someone comes along with one of the Visa premium cards with lots of bells and whistles like airline miles and rewards and rebates, and it has a much higher interchange rate, you've got to take it, just like the more basic one. And Mr. Muris hasn't disputed that.

And one of the solutions, in fact the only solution I've heard today that Mr. Duncan has offered, is maybe that should be changed. Maybe you should have the freedom to turn down some of these big-ticket premium reward cards that are charging you very high interest rates.”

The facts:

Retailers who accept Visa or MasterCard credit cards are required to accept all credit cards, even those newly introduced premium rewards cards, corporate cards, fleet cards and small business cards with much higher interchange rates. Recent rules changes allow banks to change a card from a traditional card to a preferred rewards card within even reissuing the card.

Below are links to the Visa interchange rates and the MasterCard interchange rates. Both show the wide variation among interchange rates based on types of cards – cards a retailer must accept and cannot even identify at the checkout as being expensive to accept.

A couple of specific examples are a base interchange for the same transaction at the same store that could range from 1.15-1.51% +.10 with the use of a Visa Traditional Rewards card versus 2.20%+.10 with the use of a Visa Signature Preferred rewards card – same customer, same purchase, very different fee charged. MasterCard has the same variation among its consumer cards, the same purchase by the same customer using a MasterCard Core Value card results in a base interchange rate of 1.32-1.48%+.05 versus a rate of 1.9% +.05 to 2.5% +.10 for the same purchase by the same customer with a MasterCard World Elite card.

Visa Interchange Rates

http://www.usa.visa.com/download/merchants/Interchange_Rate_Sheets.pdf

MasterCard Interchange Rates and Criteria

http://www.mastercard.com/us/wce/PDF/14992_MasterCard_Interchange_Rates_and_Criteria_-_April_2007.pdf

MasterCard Honor All Cards Press Release

http://www.mastercard.com/us/company/en/newsroom/honor_cards.html

MasterCard Unveils World Elite – Exceptional New Card for Elite Affluent Consumers and Businesses

http://www.mastercard.com/us/company/en/newsroom/pr_1317.html

The Wall Street Journal highlighted the introduction of the high interchange Visa “Signature Preferred” card in an article on March 15, 2007, “**New Tier on Visa Card To Lift Fees on Merchants**” and said “banks will collect an average of 2.27% of a transaction on the Signature Preferred card”