



Card Acquiring Market Review proposed remedies consultation – BRC response

About the BRC

The BRC's purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.

Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop; costs are increasing; and growth in consumer spending is slow.

The BRC is committed to ensuring the industry thrives through this period of transformation. We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit. Our membership comprises over 5,000 businesses delivering £180bn of retail sales and employing over one and half million employees.

BRC response

1. The BRC welcomes this consultation. The card acquiring market has long been in need of greater transparency and responsiveness to merchants. The BRC was pleased to see the Payment Systems Regulator (PSR) launch its review into the card-acquiring market and are pleased to respond to this consultation on its proposed remedies.
2. The remedies put forward in the consultation all seem reasonable and appropriate responses to the issue of an opaque market that does not work well for merchants. The BRC supports their introduction.
3. However, the BRC believes that the four remedies in themselves are not a sufficient response to the problem. We would have liked to have seen a greater focus by the PSR on the perceived issue of card-acquiring schemes changing their invoicing and costs in what some believe to be circumvention of the IFR legislation.
4. The BRC would also have liked to see, as part of the PSR's review, a greater emphasis on working with merchants, as well as schemes and acquirers, to gather facts and data to inform its investigation of all the issues. There is a feeling amongst some retailers that the evidence gathering was not comprehensive enough, and that had it been so, the proposed remedies may have been different.
5. We also feel that the PSR should not delay in implementing the proposed remedies, in particular the Digital Comparison remedy. There is a concern amongst some retailers that this welcome response may suffer from an unnecessarily long implementation period from schemes. We do not believe that this is necessary and would welcome an approach from the



PSR whereby it publishes a deadline reasonably soon for any further consultation on implementation and, more importantly, introduction of this measure.

6. The PSR must also ensure that this review, and any implementation of the proposed remedies, does not signal the end of its interest in this issue. In particular, it must remain responsive to the views of merchants if they consider that the remedies are not achieving the desired outcome, and be prepared to take further action as necessary.
7. In conclusion, while the BRC supports the four remedies proposed, we would like to see them implemented as quickly as possible, and for the PSR to keep the market under review, speak further with merchants as necessary, and to be prepared to make further interventions in the market where and when appropriate.