• Germany: Standard Fees for Electronic Cash Card Payment System abandoned

On 8 April 2014, the Bundeskartellamt (BkartA) adopted a decision which declares binding the commitments of the leading banking associations in Germany to abandon their agreement on standard fees payable by retailers when using the electronic cash card payment system.

The electronic cash card payment system is a national debit card scheme used for non-cash payments at the point of sale by means of a Girocard. It is by far the leading card payment system in Germany, with an annual transaction volume of € 128 000 000 000. The principal alternative to the electronic cash system for retailers is the electronic direct debit system (ELV), where certain data on the Girocard are used to generate a direct debit.

According to the electronic cash framework, which was jointly established by the leading bank associations, retailers had to pay a standard fee for every electronic cash transaction to the bank that issued the Girocard. This charge amounted to 0.3% of the transaction value with a minimum of € 0.08. Large retail chains and petrol stations had already managed to negotiate discounts with the banks for transactions at their cash tills.

In the BkartA’s preliminary view, the jointly set standard fee constitutes an unjustified restraint of competition. Such a standard fee is not objectively necessary for the operation of the electronic cash-system. An in-depth examination of the market situation confirmed that individual negotiations between the market participants, i.e. the retailers and card issuing banks, are possible. Pressure on the price will be exercised, in particular, by the competing ELV system.

The commitments to abandon the agreement therefore meet the BkartA’s concerns. However, the BkartA will monitor future market developments closely.

See [press release](in English)