

Proposal: 1818(AG67) Debit Card Interchange Fees and Routing

Description:

Comment ID: 156319

From: Kirk Jones

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Comments:

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Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Talk about a lose-lose proposition. If the Federal Reserve further reduces the interchange rates that banks receive as compensation for processing debit transactions, retailers will not pass along savings to consumers and banks will charge for simple account access. The consumer will lose at both ends. Moreover, I wonder if the individuals who voted for this hate FedNOW? That product will languish if the Fed makes debit card transactions so cheap that merchants prefer debit cards over possible FedNOW transactions. You guys had a perfect opportunity to let the free market push FedNOW into consumer transactions. You blew it. Furthermore, the Federal Reserve does not have the knowledge or experience to interfere in markets to this degree. Unintended consequences will occur if this rule is implemented, none of them helpful to consumers. The Federal Reserve should postpone its October 25, 2023 agenda item on Regulation II and take a breather.

Sincerely,

Kirk Jones