



## **Sectoral inquiry on the market of accepting bank cards**

**The Gazdasági Versenyhivatal (Hungarian Competition Authority – GVH) launches a sectoral inquiry on the market of accepting bank cards to explore and assess the market processes.**

The GVH noticed that smaller traders faced less favourable service fees than larger traders on the market of cash-substitute payment instruments, i.e. the market of accepting bank cards when initiating and maintaining payment with them.

A trader faces various costs when it allows customers to make payments via the use of bank cards. For example, for each transaction that takes place commission comprising a certain percentage of the value of the transaction must be paid. In addition to this, the trader also has fixed costs. The trader is obliged to pay these commissions and fees to the financial institution which supplies the bank card acceptance service.

The GVH also commissioned a market research to investigate the costs of bank card payment. With the effects stemming from the changes made to the regulation of interbank commissions in mind the market research among others also covered the awareness of traders and the practice of accepting different payment methods. The results of the market research affirmed the need for a sectoral inquiry.

In the inquiry the GVH plans to overview the payment card industry, in particular the bank card acceptors as a downstream market. At the heart of the sectoral inquiry will be an investigation of the competition conditions of the acceptance of bank cards and an evaluation of innovative cash-substitute payment instruments that may potentially put competition pressure on the payment card accepting market; additionally, the inquiry will deal with not only the past and present state of the market but also with possible future changes to competition. The GVH believes that the sectoral inquiry must fully explore every factor that can hinder efficient competition on the acceptor market.

It must be emphasised that the circumstances mentioned above do not necessarily mean that competition problems have occurred on the market. Nevertheless, these circumstances and the potential injury of consumers can only be evaluated within a sectoral inquiry.

As a first step the GVH will consult the supervisory authority of the sector, will request information from issuing and accepting banks the bank card companies and other non-financial acceptors, before finally consulting the traders themselves.

The GVH plans to close the sectoral inquiry by July 2018. A report detailing the findings of the inquiry will then be published.

The adopted injunction on the launch of the sectoral inquiry can be read [here in Hungarian](#).

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Hungarian Competition Authority

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