

# Making it easier for merchants to compare credit and debit card services

## What are card-acquiring services?

Every time somebody buys something using a credit or debit card, the merchant uses card-acquiring services to accept the payment.

## Why is the PSR involved?

We conducted a review of the card-acquiring market because of concerns that merchants might not be getting value for money.

We found that merchants with annual turnover below £50 million were unlikely to search and switch between card-acquiring services. This was largely down to three factors:

- 1 Pricing of card acquiring services is not always transparent.**  
This makes it hard for merchants to compare services and prices.
- 2 Card-acquiring contracts typically have no end date.**  
Merchants don't have a clear trigger to think about searching for another provider and switching.
- 3 Point-of-sale (POS) terminals and POS terminal contracts can prevent or discourage merchants from switching between card-acquiring services** because merchants can't use their existing terminal with a new acquirer. If a merchant switches acquirer, it's likely to need a new POS terminal and incur termination fees for cancelling its existing contract.



## Real merchant views and experiences

### We spoke to merchants about their experience of card-acquiring services.



**Financial advice company owner**  
Annual turnover < £50,000

Would like an impartial website as an information source and comparison tool for card-acquiring services.



**Guest house owner**  
Annual turnover < £50,000

Didn't know they could separate their POS terminal from the card processing service.



**Bicycle repair business owner**  
Annual turnover < £50,000

Charges are not transparent, so they felt vulnerable to mark-ups.



**IT consultancy director**  
Annual turnover < £1 million

Anxious about switching and would welcome an annual prompt to review services.



**Provider of music marketing and hospitality services**  
Annual turnover < £5 million

Needs to be prompted to consider new service options and extras.

# Our proposed remedies

In January, we consulted on four measures to address these problems.

The problem	Our proposed remedy	How it will help
Pricing of card acquiring services is not always transparent.	Summary information boxes setting out key price and non-price service elements of card-acquiring services to be provided to merchants with regular communications.	Clearer information will make it easier for merchants to get a better deal.
	Encouraging the development of digital comparison tools (DCTs).	Merchants can use independent and comprehensive comparison services to help them search and switch.
Card-acquiring contracts typically have no end date.	Trigger messages sent at the end of the initial contract period and annually thereafter.	Merchants will have a prompt to consider their options, search and switch if they want to.
POS terminals and POS terminal contracts can prevent or discourage merchants from switching between card-acquiring services.	Ensure contracts aren't a barrier to switching, and investigate portability of POS terminals between acquirers.	Merchants will be able to switch between card-acquiring services more easily.

## What happens now?

We've invited views on our proposed remedies from all stakeholders, and we've asked industry to propose detailed specifications for implementation. Please let us know your thoughts.

**Our consultation closes on 6 April 2022.**

To learn more about our card-acquiring market review, please visit [www.psr.org.uk/camr](http://www.psr.org.uk/camr)

Once we've assessed the responses, we'll issue a provisional decision for consultation. We'll include our cost benefit analysis in this consultation.

We'll then issue a final remedies notice if our findings support it. This will include information on implementation periods for any changes stakeholders will need to make.

We will issue our final position by the end of 2022.

