

"Wayne Smith" - 07/29/2008 03:10:06 PM

Subject: Regulation AA

I would like to add my voice to those who believe credit card companies use unfair, deceptive, and bordering on criminal practices to fleece a customer base ever more reliant on them for conducting the transactions in their lives.

I have two main gripes about credit cards.

First, I have noticed recently that my "grace" period (time between closing date of the billing cycle and when my payment is due) has begun to shrink. Given the time it takes to receive the mailing, I have little more than a week to turn around payment now. This has resulted in two frantic calls to my card companies over the last 3 months when I realized that my due date was about to pass. I had to cajole a solution out of both companies even though electronic payment surely would have produced the cash with little lag time. Both times the companies acted as if they were doing me a favor.....hardly.

Second, the practice of charging interest on both last months and the current months activity as soon as a payment is late is virtually criminal. Current charges should not be charged interest until they have been billed and the consumer has failed to make timely payment. Make a payment, even 1 day late, and you're effectively being penalized double (interest on last months bill and interest on the current cycle). It is ridiculous and should be stopped.

My biggest complaint on credit card companies, however, is as a business owner. The processing fees charged by VISA, MC, and AMEX are ABSOLUTELY CRIMINAL. Most cards charge over 3% to process their electronic transactions due to 'rewards' cards and other products used by their clientele. Business owners have no choice to opt out of the programs, regardless of fees imposed, in order to control their costs. Should a client protest a charge, the business is tagged for the balance. So, effectively, the business is being charged 3% and the company is taking ZERO RISK [except the credit risk which they charge their customers handsomely for with their usurious rates]. Business owners are getting ridiculously skewered by these onerous conditions. The cost of processing these transactions should be going down ever year, not up. Yet, I've never seen my rates go down.....only higher and higher as card companies offer more and more kickbacks to customers which don't come out of their pockets but out of those of the business owners of America.