

From: Sheraton Minneapolis West Hotel, Jerry Knoblauch

Subject: Reg III - Debit card Interchange

Comments:

SUBJECT: Release of authorized credit (credit cards) or debit (debit cards)

If this falls in the scope of request comments, here are my concerns. If not, please consider visiting the issues at a future time.

It is difficult for a merchant such as a hotel like us, to authorize exact amount of credit. We build in allowances for incidental charges. On some occasions, the guests want that authorization released. It is a tortuous process to go through. One has to find a phone number for the issuing bank. When that number is called, there are instructions to fax a request on letterhead (with the consumer card number), or you get into automated answering system. Eventually one gets to talk to a human. Sometimes the human handles the request. Sometimes the human says "this is a confidential matter and we cannot discuss it with you."

Consumer may lose out. Merchant may lose a customer. The fault is the processors/networks/issuers do not have a unified solution. Also, it can take up to an hour or more to resolve if resolvable. When one faxes and a confirmation that the requested release was done, there often is no response.

Debit cards have the same issue because funds are frozen in the cardholder account. Trying to remedy an overauthorization is sometimes critical to a cardholder with low funds in their account.

I hope I have given you enough to understand the issue. When I talk to a processor/issuer, they tell me that they do not expend any energy on a solution because they do not receive enough requests for it. I know that my complaint has no impact, and consumers direct their anger to the merchant.

Thanks for listening.

Jerry Knoblauch
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