

From: Trevor Clements  
Subject: Reg II - Debit card Interchange

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Comments:

February 16, 2011

Dear Federal Reserve:

PLEASE read below:

It is not enough to only have a competitive choice on PIN transactions. Many transactions, such as those on the Internet, currently cannot be PIN transactions. The way that the dominant card networks exclude other networks from taking "signature" transactions is arbitrary and unfair. There are "signature" transactions with no signature and PIN transactions with no PIN entered. All of these are simply debit transactions - with the same card, at the same merchant, paying the same amount from the same bank account. Whichever network can do this the best and cheapest way should get that business.

Finally, please take into account the fact that merchants pay big dollars for fraud every day. Debit cards do not give us guaranteed payment. We lose many sales through fraud charge-backs and on top of that we pay huge sums on PCI compliance and other expenses to reduce fraud. We should not have to pay more for fraud through interchange unless the banks come up with a system that reduces our existing fraud costs by improving on fraud prevention that is already in place when a PIN is required.

Sincerely,

Trevor Clements