

Proposal: 1748 (AG15) Regulation II - Debit Card Interchange Fees and Routing

Description:

Comment ID: 140842

From: Kam Lam

Proposal: 1748 (AG15) Regulation II - Debit Card Interchange Fees and Routing

Subject: R-1748; Regulation II - Debit Card Interchange Fees and Routing

Comments:

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Proposal: Debit Card Interchange Fees and Routing [R-1748]

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Your comment: Board of Governors of the Federal Reserve System c/o Ann E. Misback, Secretary
20th Street and Constitution Avenue NW Washington, DC 20551 Re: Docket No. R-1748, RIN 7100-
AG15 Dear Board of Governors of the Federal Reserve System Members, Please be advised that I am
writing this letter as a concerned consumer due to the state of the current economy and the continued
rise in inflation. Having a professional knowledge in the payment acceptance field, I understand how
costs of electronic payments impact overall sales prices on goods and services. Merchants compete on
price and service to earn customer's business. Unfortunately, the artificially-inflated cost of card
acceptance and the resulting higher costs of goods have a direct negative impact on the consumer.
Here are some examples of unfortunate pricing challenges and checkout friction points for the average
consumer; the disparity between various merchants deciding to charge a surcharge for credit card
usage versus cash/debit card, paying less for gas with cash payment versus credit card and accepting
only certain payment networks, to name a few. While the Durbin Amendment that was passed over a
decade ago allowed debit routing capability for brick and mortar merchants to deter higher costs of
acceptance, those same cost-saving defense mechanisms are not available for the online channel.
Meanwhile, consumers' shopping patterns have greatly evolved to online purchasing over the past
decade and it has become even more prevalent due to the pandemic, therefore the problem of the
absence of debit routing capabilities for the eCommerce channel has only exacerbated. I highly
encourage the Board to expedite on both enforcing the routing law and reducing the regulated debit
rate so that overall operating costs are lower for merchants which will translate to lower prices for
consumers. Thank you for the opportunity to express my support on the proposed clarifications.
Sincerely, Kam Lam