

The Tourism Industry supports the request to examine and report on the credit and debit card systems in Canada and their relative rates and fees

Fredericton, February 6th, 2009 — The Tourism Industry Association of New Brunswick (TIANB) supports New Brunswick Liberal Senator Pierrette Ringuette in her attempt to get her Senate colleagues to support her in a bid to have a Senate committee on banking, trade and commerce, delve into the country's credit and debit card system.

The proposed investigation would endeavor to expose the impact of rates and fees on businesses and consumers – focusing on rising interchange rates and interest rates. Interchange rates are the percentage of the total purchase price that businesses pay in order to provide credit card services to their customers – and they have risen in 2008.

Consumers pay up to 24.75 per cent in interest rate to credit cards; Current legal interest rate in Canada can be up to 60 per cent; Credit card transaction fees or, to use the financial sector language, the interchange rate, are up to 3 per cent of purchases for businesses, up to 1.8 per cent for governments and 1.5 per cent for charities. (The interchange rates are set by the credit card companies and paid to them.) In comparison, Australia's legal interchange rates are 0.45 per cent for businesses, 0.33 per cent for government agencies and 0 per cent for charities.

“This is unacceptable. Given the current state of our economy, consumers need to pay less in interest rates, rather than more in order to sustain their purchasing power.” states Joanne Bérubé-Gagné, TIANB President.

Canadians hold 68.2 million credit cards with the Visa and MasterCard brands and used them to purchase \$267 billion of goods and services in 2008. In New Brunswick, Tourism generates annual revenues of \$1.2 billion. Some of these revenues are jeopardized by the sky-high interest rates charged by banks and credit cards companies. Tourism operators like most Canadians are furious and that's why our industry requires that the government move forward in establishing regulations and oversight to ensure transparency into credit and debit card rates.

The Tourism Industry Association of New Brunswick acts as the provincial tourism and hospitality organization of the province, existing to fulfill the needs of its membership, in cooperation with both private and public sector partners. As a representative and industry driven organization, the Association provides leadership and direction, aiming towards making tourism and hospitality the leading and most viably sustainable industry in New Brunswick.

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