

Visa and MasterCard Facing Multiple ATM Fee Fixing Law Suits

October 19, 2011 - Last week, a group of independent ATM owners filed a class action law suit against Visa and MasterCard, accusing the companies of fixing transaction fees for ATMs. The suit alleges that the companies are engaged in anticompetitive practices which make it difficult for the ATM operators to properly market their services. This week, a group of ATM users has filed a similar law suit which alleges that because of Visa and MasterCard's fee agreements with ATM operators, consumers are forced to pay higher prices for ATM usage than they actually should.

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Last week's suit was filed by the National ATM Council. The suit accuses both Visa and MasterCard of fixing prices for ATM transactions. The two companies are the largest issuers of debit cards.

The suite claims that even if the ATM operators use the networks of less expensive competitors to Visa and MasterCard to process their transactions, they are forced to charge the same transaction fees to all users. This current pricing structure prevents the ATM operators from offering different transaction prices or special promotions to the users of their services.

The ATM operators are asking the court to throw out both Visa and MasterCard's fee agreements. The suit also seeks triple damages.

The second suit, which was filed this week, is seeking class action status for anyone who has used a debit card with a Visa or MasterCard logo in an ATM transaction since late 2007. That could include millions of people.

As with the first suit, the second law suit accuses both Visa and MasterCard of conspiring to fix ATM transaction fees; to the detriment of cardholders.

As with the first suit, the court is being asked to throw out all existing Visa and MasterCard fee agreements, that the companies be permanently enjoined from fixing ATM fees in the future and that the companies be forced to pay triple damages and attorneys' fees.

byJim Malmberg

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