

# Protect Consumers' Credit

Consumers rely on credit cards to build credit and gain access to funds that otherwise may not be available to them. Credit cards offer robust security, fraud protection and is key to financial success. Credit unions are here to help.

**Interchange fees — which are only a fraction of a cent per dollar transacted — make this possible.**

## CREDIT CARDS & CREDIT UNION MEMBERS

**79%** of credit unions offer credit cards to help build credit<sup>1</sup>

**\$2,800**  
Average carried balance (per credit union member)<sup>2</sup>

**69%** offer free financial literacy education and credit counseling<sup>3</sup>

**The robust security features that make credit cards so appealing to consumers come at a cost.**

From data breaches to skimmed cards, electronic payments are a prime target for fraudulent activity.

Interchange fees cover the cost of fraud detection, credit monitoring, and fraudulent purchase protection benefiting both consumers and merchants. Reduced interchange fees pose a real threat to data security, and could raise fraud-related costs for credit unions and banks.



## CONSUMERS VALUE SECURITY AND AVAILABILITY

**95%**  
think the current system works well<sup>1</sup>

**95%**  
say keeping personal information secure from data breaches is a priority<sup>2</sup>

**87%**  
want a card widely accepted by all vendors<sup>4</sup>

<sup>1</sup> CUNA Interchange Survey, 2022

<sup>2</sup> CUNA, Operating Ratio and Spreads, YE 2021 report

<sup>3</sup> CUNA Interchange Survey, 2022

<sup>4</sup> CUNA National Voter Survey January 2023, Frederick Polls, Cygnal

## FRAUD IS A GROWING RISK AND COST

**Fraud rates have doubled** in the last 10 years.<sup>1</sup>

**422 million** consumers were affected by data breaches in 2022.<sup>2</sup>

**36%** of consumers received a new card due to fraud or data breach.<sup>3</sup>



# 2<sup>ND</sup> LARGEST

Data shows that credit card fraud was the second largest type of identity theft reported in 2021.<sup>4</sup>

## Interchange revenue does NOT cover interchange expenses.

The Credit Card Competition Act threatens credit unions' ability to provide important services to their members. This legislation would impose new credit routing mandates that would place power in the hands of retailers. Consumers, small businesses, and small financial institutions will lose big if this happens.

### THE BOTTOM LINE: INTERCHANGE WORKS

**Consumers win** with access to easy-to-use credit

**Merchants win** with guaranteed payments

**Financial institutions win** with a safe product for consumers

## Where we stand:

The current interchange payment system works to benefit consumers, credit unions, and merchants. CUNA and State Leagues, together with others in the financial services industry, are working to stop legislation aimed at changing credit interchange.



## What you can do:

**Oppose S. 1838/H.R. 3881 and help keep consumers' and businesses' data safe.**



<sup>1</sup> Interchange Fee Revenue, Covered Issuer Costs, and Covered Issuer and Merchant Fraud Losses Related to Debit Card Transactions. Board of Governors of the Federal Reserve System (May 2021).

<sup>2</sup> 2022 Data Breach Reports, Identify Theft Resource Center - idtheftcenter.org, Page 2

<sup>3</sup> CUNA National Voter Survey January 2023, Frederick Polls, Cygnal

<sup>4</sup> Federal Trade Commission, Consumer Sentinel Network Databook 2021



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