

Mastercard and Visa to be hit with £7.5bn compensation claim

The global payment giants Mastercard and Visa are facing the latest in a string of multibillion-pound competition lawsuits with the launch of a potentially vast class action claim on behalf of British companies.

Sky News has learnt that Marcus Parker, a London-based commercial litigation law firm, is close to filing what it believes will be among the biggest competition compensation claims in UK history.

The filing, at the Competition Appeal Tribunal (CAT), will allege that Mastercard and Visa overcharged businesses for so-called multilateral interchange fees (MIFs), which are paid by businesses to their banks to accept payment by credit or debit card.

MIFs are estimated to comprise as much as 90% of the cost of a typical company's monthly bank charge.

The claim will argue that these fees are set by Mastercard and Visa themselves, rather than by market forces, and are imposed on banks as a condition of their participation in the two companies' card schemes.

Harcus Parker declined to comment on the prospective size of the action against the two card giants, but one source said they expected that £7.5bn was the minimum figure they expected, and that it could ultimately be worth close to double that sum.

"We are standing up for UK businesses – big and small – and demanding that they be properly compensated," Thomas Ross, a

partner at Marcus Parker, told Sky News.

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"These fees are unlawful and should be abolished."

The Marcus Parker case is fully insured and is being funded by the major litigation funder BenchWalk Advisers.

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Businesses with an average annual pre-pandemic turnover of at least £100m will be invited to opt in to the claim, while those with revenue below that level and which have registered online will be automatically included unless they choose to opt out.

Harcus Parker has selected a claim period from 2017 to the date of judgement award – or settlement.

The latest case follows one submitted by the same law firm last year which was focused on businesses in the travel and hospitality sectors, and alleged that Mastercard and Visa overcharged for corporate and foreign card fees.

ABTA and UK Hospitality, the trade bodies, backed the earlier claim and are among those expected to endorse the latest action.

A string of other major lawsuits have been filed against the two payments behemoths in recent years involving major retailers and other consumer-facing businesses.

The duo have already settled a number of claims for overcharged interchange fees.

Mastercard and Visa have also faced criticism for hiking fees for UK consumers since the Brexit referendum.

They are now at the centre of a cross-border fees probe by the Payment Systems Regulator.

Mastercard and Visa declined to comment.