

The Credit Card Competition Act (CCCA)

April 2026

Core Message

Right now, most credit card payments are handled by two big companies – Visa and Mastercard. Because they're so dominant, merchants must pay high fees every time a customer uses a credit card and have no ability to negotiate. The Credit Card Competition Act (CCCA) would lower costs for merchants and consumers by introducing competition in the credit card processing market.

Context

The CCCA would require the largest financial institutions—those with at least \$100 billion in assets—to enable at least two unaffiliated payment networks on their credit cards. At least one of these networks must be an alternative to Visa and Mastercard and cannot be owned or operated by a foreign entity. This requirement would apply to only 28 banks and one credit union nationwide.

The legislation aims to address a highly concentrated market in which Visa and Mastercard control more than 80% of credit card network volume. This lack of competition has contributed to steadily rising interchange (swipe) fees. In 2024, total card processing fees reached \$187.2 billion, increasing to an estimated \$198 billion in 2025.

The proposal has strong support from retailers, consumer advocacy groups, labor organizations, and a bipartisan group of members in Congress focused on increasing competition in financial markets. Opposition is led by large and small banks, credit card companies (particularly Visa and Mastercard), and some airline groups concerned about potential impacts on rewards programs.

While the path to near-term enactment remains challenging, momentum is building through alignment with broader financial and cryptocurrency policy discussions, as well as growing bipartisan engagement in committees. Advocacy efforts continue through coalitions like the Merchants Payments Coalition and direct engagement from companies like Walmart.

Walmart Position

Walmart strongly supports passage of the CCCA.

Why Does This Matter to Walmart?

Credit cards are the most expensive form of payment Walmart accepts, costing the company approximately \$2 billion annually in processing fees. Rising swipe fees directly impact operating costs, pricing, and the ability to invest in customer value. Increasing competition in the payments market would help reduce these costs and improve efficiency across Walmart's operations.

Key Messages/Talking Points

- Credit cards are the most expensive payment method Walmart accepts due to a lack of competition in the network market.
- Walmart spends approximately \$2 billion annually on credit and debit card processing fees.
- Credit card processing fees continue to rise, reaching nearly \$200 billion industry-wide and costing U.S. families over \$1,100 per year in higher prices.
- Visa and Mastercard control over 80% of the market and dictate fees with limited competitive pressure.

- The CCCA is a market-based solution—it does not cap or set fees but instead introduces competition.
- When competition increases, consumers benefit through lower costs and greater innovation.
- Similar reforms in debit card routing have already demonstrated meaningful savings for merchants and consumers.

If You Get Tough Questions

- **Q: Is this a form of government price control or a fee cap?**
A: No. The CCCA does not set or cap fees. It simply requires that multiple networks compete for transactions, allowing market forces—not regulation—to determine pricing.
- **Q: Will credit card rewards be reduced?**
A: No meaningful impact is expected. Studies show rewards would change by less than one-tenth of 1%, and banks have sufficient margins to maintain current rewards programs. Rewards systems also remain intact in countries that have implemented similar reforms.
- **Q: Will this weaken credit card security?**
A: No. Alternative networks already securely process billions of debit and ATM transactions daily and are trusted by financial institutions. Increased competition can also drive further innovation in fraud prevention and data security.
- **Q: Will community banks and credit unions be affected?**
A: No. The legislation applies only to institutions with over \$100 billion in assets. Community banks and small credit unions are fully exempt.
- **Q: Will merchants pass savings on to consumers?**
A: Yes. Historical evidence from debit card reform shows that a significant portion of savings—around 70%—was passed on to consumers through lower prices.
- **Q: Will banks need to re-issue credit cards?**
A: No. Routing changes occur on the back end and do not require physical changes to cards.
- **Q: Could this eliminate free checking accounts?**
A: No. Evidence shows free checking accounts increased after prior debit reforms, and claims linking reforms to reduced availability are not supported by the data.