Testimony of Edmund Mierzwinski

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U.S. Public Interest Research Group (U.S. PIRG)

On behalf of Consumer Action, Consumer Federation of America
and U.S. PIRG

Hearing On

Credit Card Interchange Fees

Before the Antitrust Task Force
Of the House Judiciary Committee

Honorable John Conyers, Chairman

July 19, 2007

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Chairman Conyers and Ranking Member Chabot, thank you for the privilege for testifying today on the important subject of credit card interchange fees. I am testifying today on behalf of U.S. Public Interest Research Group, Consumer Federation of America, and Consumer Action. As nonpartisan and nonprofit advocates of consumers we welcome the House Judiciary Committee's formation of the Antitrust Task Force and its particular attention to credit card interchange rates. As you know, over 25 years ago Supreme Court Justice Marshall spoke of the importance of the antitrust laws as the "magna carta of economic freedom." Thus, the vigilance of the Committee's Task Force in assuring the aggressive enforcement of the antitrust laws is important to every U.S. consumer.

A primary purpose of our organizations is to advocate on behalf of all consumers for a fair and competitive marketplace. We regularly advocate before state and federal regulators and legislators on both consumer protection[1] and competition policy issues[2] in the credit card marketplace. We recognize that financial service markets work best where there is vigorous competition protected from anticompetitive practices. The work of your Committee in overseeing enforcement of the antitrust laws plays a vital role for this important marketplace.

Today I have a simple message: the deceptive and anticompetitive practices of the two credit card associations – Visa and MasterCard -- have injured both consumers and merchants for many years. Interchange fees are hidden charges paid by all Americans, regardless of whether they use credit, debit, checks or cash. These fees impose the greatest hardship on the most vulnerable consumers – the millions of American consumers without credit cards or banking relationships. These consumers basically subsidize credit card usage by paying inflated prices – prices inflated by the billions of dollars of anticompetitive interchange fees.

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[1] For example, see recent testimony on unfair consumer credit card practices by Edmund Mierzwinski, U.S. PIRG, House Subcommittee on Financial Institutions and Credit, Hearing on "Improving Credit Card Consumer Protection: Recent Industry and Regulatory Initiatives," 7 June 2007; available at http://www.house.gov/apps/list/hearing/financialsvcs_dem/htmierzwinski060707.pdf; testimony of Linda Sherry, Consumer Action, House Subcommittee on Financial Institutions and Credit, Hearing on "Credit Card Practices: Current Consumer and Regulatory Issues," 26 April 2007, available at http://www.house.gov/apps/list/hearing/financialsvcs_dem/htsherry042607.pdf and Travis Plunkett, Consumer Federation of America, Hearing "Examining the Billing, Marketing, and Disclosure Practices of the Credit Card Industry, and Their Impact on Consumers." Senate Banking Committee, 25 January 2007, available at http://banking.senate.gov/_files/ACF4353.pdf

[2] For example, see also see the joint testimony of U.S. PIRG and the Consumer Federation of America, by Edmund Mierzwinski, Consumer Program Director, U.S. PIRG, before the House Committee on Energy and Commerce, Hearing on The Law and Economics of Interchange Fees, Subcommittee on Commerce, Trade, and Consumer Protection, 15 February 2006 available at http://energycommerce.house.gov/reparchives/108/Hearings/02152006hearing1774/Mierzwinski2730.htm .

Based on our experience in these and other markets we believe there are two essential elements to a competitive marketplace: information and choice. Accurate and transparent information is necessary for consumers to make accurate choices. When information is readily available consumers can make choices, effectively compelling firms to compete for their purchases. And choice is a necessary element too. Absent choice, the discipline of the market will be lost.

Unfortunately, the credit card market lacks both choice and adequate information. From a consumer's perspective it lacks choice because it is an oligopolistic market in which a small set of card-issuers dominate the market and establish a set of deceptive practices that harm consumers. From a merchant's perspective it lacks choice because merchants have no alternative but to accept the card associations' cards even when the associations significantly increase prices.

It also lacks the information necessary for both consumers and merchants to make informed choices. It lacks adequate information for consumers to detect the fraudulent and exploitative practices of many card-issuers. For merchants, it lacks adequate information because the associations prevent merchants from accurately informing consumers of the costs of credit card acceptance or attempting to direct them to more efficient and lower priced payment mechanisms. Moreover, the banks and associations engage in other deceptive practices to increase the interchange problem. Since the costs of accepting cards are passed on in the overall costs of goods, all consumers – affluent, working-class, and poor – ultimately pay these hidden charges. Low-income Americans, most without bank affiliations, are paying more for goods and services to fund credit card company programs for which they are not even eligible.

We present six main points:

- All consumers, even those who pay with cash and checks, pay more at the store and more at the pump because these interchange fees are passed on in the overall cost of goods sold.
- The significant increases in interchange fees signal a broken market. Visa and MasterCard have tremendous market power, which allows them to dictate the terms of trade: merchants have no choice but to accept Visa and MasterCard products on the sellers' terms. It is not surprising that interchange fees have increased significantly and are much higher in the U.S. than other countries.
- The card associations' rules prevent merchants from informing consumers on the costs of payment and limit the ability of merchants to direct consumers to the safest, lowest cost, and most efficient forms of payment.
- In addition, both the associations and banks engage in a variety of deceptive practices to drive consumers to higher-cost forms of payment.
- Neither the card-issuance or card network markets are competitive. Because of lax merger policy the card-issuance market has become an oligopoly. Interchange and consumer fees have increased as concentration has increased to alarming levels.
- Finally, this oligopolic concentration has allowed issuers to engage in a variety of unfair and anti-consumer practices.

Interchange Fees Force Consumers to Pay Higher Prices

The interchange fee system is hidden from consumers and the public. The card associations do not disclose publicly their fees or the basis for these fees. Some public reports maintain that, on average, interchange fees cost merchants 1.6 percent or more of each transaction on a credit or signature debit card. In 2006, credit card interchange fees alone cost merchants and consumers an estimated $36 billion.

Like all other costs incurred by merchants, interchange fees are included – at least in part – when pricing goods and services. Card associations may suggest that interchange fees fund attractive rewards programs. Setting aside the question of the value of these programs, many consumers with credit cards do not use them and those without credit cards receive no benefits.[3] Over 27 percent of Americans do not have credit cards. For these consumers, interchange fees are especially pernicious and regressive.[4] These low-income Americans subsidize interchange fees for "services" that they are not eligible to use. No charge could be as regressive as one in which low income consumers receive no benefits.

The regressive nature of this charge is exacerbated because interchange fees are assessed as a proportion of overall sales. For example, when gas prices averaged $1.87 per gallon in 2004, interchange fees totaled about $12.5 million per day. In 2005, gas prices averaged about $2.75 per gallon nationally: credit card companies then made $18.4 million a day. These companies made an additional $2.2 billion dollars per year simply because of rising gas prices.[5] This problem will increase if gas prices continue to increase. It is difficult enough for low and moderate income consumers to afford skyrocketing gasoline prices without having to pay additional fees that are passed on to them.

Increases in Interchange Fees Signal a Broken Market

Credit card interchange fees were intended to compensate card-issuers for certain costs, such as the costs of issuance, fraud, risk of loss, float and processing. Yet as all these costs have decreased in the past decade credit card interchange fees have increased. According to the Food Marketing Institute (FMI), these fees have increased over 20 percent in the past few years even though all the costs of card processing and issuance have fallen. The United States appears to be the only country in which credit card interchange fees are increasing and it has far higher fees that almost any other industrialized country. FMI projects that these fees will increase 22 percent annually.[6]

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[3] We seriously doubt consumers receive anything close to $36 billion in benefits through rewards programs. Some of the interchange fees undoubtedly fund industry marketing efforts, such as the more than 8 billion annual mail solicitations consumers receive 9source CardTrak.com) for credit cards. Moreover, credit card issuance is a tremendously profitable line of business.

[4] U.S. Census Bureau, *Statistical Abstract 2006*, Table 1176.

[5] Margaret Webb Pressler, "Card Companies Are Filling Up at the Station," in Washington Post. September 25, 2005: pg. F01.

[6] Food Marketing Institute, "Hidden Credit Card Fees: The True Cost of a Plastic Marketplace" (February, 2006).

In a competitive market, prices would fall when costs decrease. In the credit card market, the opposite happens. The card associations may say that they need to increase interchange fees to compete for the loyalty of card issuers. But what about merchants and consumers? Merchants certainly have no choice but to accept Visa or MasterCards.

In the Justice Department case against Visa and MasterCard, the Court determined that both associations had market power because merchants were compelled to accept these cards even in the face of a significant price increase. Almost all merchants are forced to accept Visa and MasterCard's terms, no matter what the interchange rates or contractual terms. Armed with this market power, credit card companies can, and do, increase interchange fees without suffering any repercussions.

Are these substantial interchange fees necessary? Examples outside the United States suggest this is not the case. In other countries, interchange rates are about one-third less than they are in the United States. In the United Kingdom, merchants pay about 0.7 percent. After a government mandated reduction in interchange fees in Australia from 0.95 to 0.55 percent, Australians saved over $300 million US per year.[7] In Australia, the reduction in interchange fees ultimately benefited consumers in the reduction of card costs, greater innovation, and greater competition leading to lower interest rates. At worst, there has been some reduction in rewards programs offered, but these programs only benefit some users.[8] In the United States, where interchange fees are considerably higher, the potential savings for each consumer would be far greater.

Another example is the debit market in Canada. In that market, there are no interchange fees. Even without interchange, there is higher debit card usage and merchant acceptance than in the United States. Some consumers pay direct fees for debit card use but because those fees are transparent there is active competition to reduce those fees. Ultimately everyone in Canada pays less for the cost of payment services.[9]

Deceptive Practices Increase Prices for Consumers

As we suggested earlier, accurate and complete information serves a critical role in making sure the forces of competition work. As the government does not regulate or compel disclosure of credit card interchange fees, most consumers have no idea that they exist and that they are paying for services that they may not even use. In fact, Visa, MasterCard and the card issuing banks engage in a variety of practices to prevent well-informed consumers from exercising their choices.

First, Visa and MasterCard rules prevent merchants from disclosing fees to their customers or attempting to steer consumers to lower-priced payment options, such as cash or

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[7] "An Interchange Tussle With a Twist: Retailers Against Zero Pricing," *Digital Transactions*, September 10, 2004.
[8] Some banks have also increased annual fees, however, the overall cost of credit cards in these countries is lower than in the U.S.
[9] Gordon Schnell and Jeffrey Shinder, "The Great Canadian Debit Debate," *Credit Card Management*, May 2004. http://www.constantinecannon.com/pdf_etc/TheGreatCanadianDebit.pdf.

online debit cards. They cannot charge a distinctive price or surcharge based on payment options. They cannot attempt to direct consumers to lower cost options such as cash, checks and online debit.[10]

Second, card associations and banks use misleading marketing to encourage consumers to use their credit cards or signature debit cards as frequently as possible. Reward incentives, such as frequent flier miles, are designed to seem as though customers are paid to use these cards. In reality, these consumers and other consumers are simply paying for those rewards.

This lack of disclosure is especially problematic with the recent efforts of the card associations to "convert" cardholders from regular credit cards to so-called "premium cards" such as the Visa "Signature" or the MasterCard "World" cards. These cards have a significantly higher interchange fee than traditional cards, among the highest of all interchange fees. For example, a premium card may cost merchants well over 2.0 percent compared to 1.6 percent for a traditional card. These premium cards focus only on the highest-income consumers. However, they offer minimal additional benefits. Consumers do not realize they pay higher prices on goods and services with a premium card and are wholly unaware of how converting to a premium card will ultimately cost all consumers more. Nor, as stated above, can merchants refuse to accept these cards or attempt to direct consumers to lower priced cards through differential pricing. These premium cards are simply a scheme to substantially increase hidden interchange fees.

Third, although merchants can't surcharge or use differential prices to direct consumers to the most efficient and lowest priced payment options, banks do have that power. Not surprisingly, they use it to direct consumers to less efficient, higher cost options. The debit card market illustrates this problem. Signature based debit is more expensive and less secure than online debit because online debit transactions are instantaneous. Online debit has a far lower rate of fraud. Online debit transaction interchange fees are capped at fixed levels; they only cost merchants between $0.17 and $0.50 per transaction.[11] Conversely, credit and signature debit cards cost merchants up to 2% of the entire transaction, no matter how large. Instead of promoting online debit which is safer and less costly, banks increasingly surcharge consumers seeking to make these transactions with penalty fees of as much as 50 cents a transaction.[12]

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[10] We note that the standard canned industry response is that "nothing in our rules prevents cash discounts from being offered." But requiring that there be separate price markings for each product with the higher interchange price and the lower cash price makes cash discounts very hard to offer. Fuel is a relatively simple example, but even there with a variety of different octane grades and products (gasoline, diesel, etc.) card association rules can make discounting more difficult than it ought to be. And if it is difficult for fuels, imagine the logistical difficulties created for offering cash discounts at a convenience store with a thousand different items, let alone a grocery store with thousands of different items for sale. The card associations may not technically prohibit cash discounts, but they do what they can to make sure it doesn't happen very often.

[11] November 2004, Federal Reserve Board, Report to the Congress on Disclosure of Point-of-Sale Debit Card Fees, See Figure 4, page 14 available at http://www.federalreserve.gov/boarddocs/rptcongress/posdebit2004.pdf (last visited 17 July 2007).

[12] A 2003 NYPIRG report found that 89% of the banks surveyed assess a fee for online debit PIN-based transactions. The average fee assessed is 70¢. The fees ranged from 10¢ to $1.50. See "Pricey Plastic: A NYPIRG Report and Survey of Plastic Card Fees," 2003, available at http://www.nypirg.org/consumer/cards/debit.html (last visited 18 July 2007). While a Federal Reserve study found substantially lower numbers of banks imposing PIN debit fees, it found fees in the same range: "At sampled institutions that charge fees for PIN debit, the fees range

Consumers are paying more for a less safe and more costly product. These penalties effectively steer consumers to the less efficient, less secure, more costly signature debit product. While the use of online debit cards is the best option for both consumers and merchants, deceptive and manipulative tactics ensure the most expensive payment possible is used.

Not surprisingly, outside the United States, where these anticompetitive practices are not permissible, online debit is the most preferred form of debit. Online debit is a far safer and more secure product. Where market forces are not restrained and consumers can make fully informed choices, the lower-priced, more efficient product prevails.

Increased Consolidation of Card-issuing Harms Consumers

The credit card issuing market has become significantly more concentrated over the past few years as numerous card issuers have merged. For example in the past few years we have seen mega-mergers such as Bank of America's acquisitions of Fleet and MBNA. The top ten card issuers now have over 90% of the market, and the level of concentration has increased from an HHI of about 1100 in 1998 to an HHI of over 1800 today, a level that the Department of Justice Merger Guidelines define as highly concentrated. Unfortunately the Department of Justice has not challenged any of these mergers and there is little to suggest that concentration in this market will not continue to increase dramatically.

Of course, we expect the card associations and their members to suggest that the credit card issuance market is unconcentrated and vigorously competitive.[13] But the facts are to the contrary. There have been numerous antitrust suits alleging that card issuers and the associations have colluded over fees, exchange rates, and important contractual terms.[14] While concentration has increased dramatically over the past seven years, interchange fees, other fees charged to consumers, deceptive practices, and interest rates have increased significantly. Although the parties to these mergers suggested that there would be significant efficiencies from these mergers, consumers have seen few, if any, benefits. After years of consolidation the bad news for consumers is clear: an oligopolistic market which is a fertile environment for collusion, higher prices, more hidden fees, and more deceptive practices.

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from roughly $0.10 to $2.00 per transaction (figure 5). The median (and mean) fee is approximately $0.75." See "Report to the Congress on the Disclosure of Point-of-Sale Debit Fees," November 2004, Federal Reserve Board of Governors, available at http://www.federalreserve.gov/boarddocs/rptcongress/posdebit2004.pdf (last visited 18 July 2007).

[13] In testimony last year Timothy Muris testified that "[n]o [card] issuer has market power, and issuers respond to increases in interchange fees by enhancing card benefits to consumers." We doubt that Visa and MasterCard or card-issuers act as benevolent monopolists, but in any case there is no systematic study to suggest that increased interchange is passed on to consumers in greater benefits. Even if this allegation was substantiated, it would still be true that all consumers, including those who do not use credit cards pay for those "increased benefits."

[14] Visa, MasterCard and several card-issuing banks recently settled an antitrust suit for $336 million alleging they had fixed the credit card foreign currency exchange rates. Other litigation involves alleged collusion by card-issuers over credit card late fees and over limit fees (In re Late Fee and Over Limit Fee Litigation, Civ. No. C-07-0634 SBA (N.D. Cal.)) and alleged collusion by card-issuers and networks requiring the use of mandatory arbitration provisions (Ross v. Bank of America, N.A. et. al. Civ. No. 05-07116 (S.D.N.Y.)).

The Credit Card Oligopoly Also Allows Issuers To Use Anti-Consumer Practices Against Cardholders

In recent testimony by each of our organizations to the banking committees of the two Houses, we describe a series of egregious practices conducted by card issuers against their cardholders. These practices, include the use of punitive penalty interest rates, imposition of questionable late and over-the-limit fees, manipulation of teaser rates, and other practices designed to increase and extend high-cost credit card debt to consumers. In our testimony we documented the seduction of vulnerable populations including youth and recent immigrants into acquiring credit cards. We set forward the practice of using certain contractual terms in the issuers' one-sided contracts with consumers, including a clause asserting the right to "change the rules at any time for any reason, including no reason," and a clause subjecting cardholder disputes to extra-judicial binding mandatory arbitration.[15]

As a result of its ability to engage in these practices, the credit card industry, already the most profitable form of banking according to Federal Reserve Board annual reports to Congress, has seen its profits grow to new heights on the wings of revenue derived from punitive APRs of 32% or more, imposition of late and over-the-limit fees of up to $39 issued on a repeat basis for violations that may not have been violations and from deceptive disclosures of the true cost of credit, which encourage the most at-risk segment of the customer base to carry large unpaid balances at unaffordable interest rates. Numerous credit card complaints to us allege that companies raised rates when bills were paid on time. Others allege that rate increases were due to alleged late payments to someone else; yet, the banks have told other Congressional panels that they do not engage in this practice, known as universal default.

To elaborate, the most common unfair credit card issuer practices include the following:

- Unfair and deceptive telephone and direct mail solicitation to existing credit card customers – ranging from misleading teaser rates to add-ons such as debt cancellation and debt suspension products, sometimes called "freeze protection," which are merely the old predatory product credit life, health, disability insurance products wrapped in a new weak regulatory structure to avoid pesky state insurance regulators;[16]
- Increasing the use of unfair penalty interest rates ranging as high as 30-35% APR or more, including, under the widespread practice of "universal default," imposing such rates on consumers who allegedly miss even one payment to <u>any</u> other creditor, despite a perfect payment history to that credit card company;
- Imposing those punitive penalty interest rates retroactively, that is on prior balances, further exacerbating the worsening levels of high-cost credit card debt;

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[15] Last week, Rep. Hank Johnson (D-GA), a member of this Committee, and several other Committee members, introduced important legislation, HR 3010, the Arbitration Fairness Act, to amend chapter 1 of title 9 of United States Code with respect to unfair use of mandatory arbitration in a variety of consumer, small business and employee contracts. We encourage the Committee to act favorably on this proposal, which is supported by a variety of civil justice, consumer, small farmer and other organizations. Companion Senate legislation, S. 1782, was introduced by Senator Russ Feingold (D-WI).

[16] See an Office of the Comptroller of the Currency (OCC) regulatory interpretative letter endorsing debt cancellation and debts suspension products at http://www.occ.treas.gov/interp/jan01/int903.doc

- Imposing higher late payment fees, which are often levied in dubious circumstances, even when consumers mail payments 10-14 days in advance;
- Using a variety of mail trickery, such as changing the due dates of monthly bills, making the due date a Sunday but not posting on the weekend; shortening the period between when a bill is mailed out and when that bill is due, etc;
- Increasing the use of aggressive and deceptive marketing to new customer segments, such as college students with neither a credit history no an ability to repay and to persons with previous poor credit history;
- Making partnerships with telemarketers making deceptive pitches for over-priced freeze protection and credit life insurance, roadside assistance, book or travel clubs and other unnecessary card add-ons;
- Imposing unfair, pre-dispute mandatory arbitration[17] as a term in credit card contracts to prevent consumers from exercising their full rights in court; and the concomitant growing use of these arbitration clauses in unfair debt collection schemes;
- The failure of the industry to pass along the benefits of what, until recently, were several years of unprecedented the Federal Reserve Board interest rate cuts intended to provide economic stimulus, through the use of unfair floors in credit card contracts; and
- Using the clause "Any term can be changed at any time for any reason, including no reason" in credit card contracts as allowed by Delaware and other safe harbor state laws.

You may ask why we are raising these practices before an Antitrust Task Force. There are three reasons. First, the representatives of the card industry will suggest the manifold, almost limitless benefits of credit cards. We think this Committee should recognize that the story of benefits is far more ambiguous.

More important, the oligopolistic market structure of the card-issuance market facilitates these deceptive and onerous practices. The ability of these dominant card-issuers to impose these terms is derived from the tight oligopoly that the largest issuing firms maintain in the marketplace. We urge the Committee and its Antitrust Task Force to examine closely the competition issues that allow this oligopoly to treat customers so unfairly. In particular, we urge you to question whether the Department of Justice, in approving every recent credit card company merger with no conditions, has adequately reviewed the competition implications of the mergers.

Finally, we believe these deceptive and anticonsumer practices demonstrate the lack of competition in the card network market. Visa and MasterCard have the ability to prevent many of these practices through their regulation of card-issuers. Yet these associations -- that are aggressive in regulating merchants (e.g., preventing them from offering cash discounts) -- seem rather timid when it comes to restricting the deceptive practices of their bank members. If there was active competition in the card network market one would expect Visa and MasterCard would compete in trying to self-regulate and stop these anticonsumer practices. Similarly, if there were not substantial entry barriers one might expect a more consumer friendly card

[17] The consumer organizations testifying today, and many others are all members of a broad campaign to educate the public and the Congress about the need to eliminate one-sided binding mandatory arbitration (BMA) clauses in consumer contracts. See http://www.givemebackmyrights.org/

network to arise. But the dominance of Visa and MasterCard and the substantial entry barriers effectively protect these deceptive and anticonsumer practices.

Conclusion

In his testimony last year on behalf of the Electronic Payments Coalition, Timothy Muris alleged that "[i]f consumers understood the threat that the merchants' campaign [against interchange] poses to the plastic in their wallets, I suspect that we would see nothing less than a revolt." He could not have been more wrong. If consumers understood the existence or the dimensions of the hidden fees assessed by the banks and associations, they would truly rebel. Credit card companies make billions of dollars each year through interchange fees, which ultimately all consumers must pay, including the millions of Americans without credit cards. The credit card market lacks the critical foundations of healthy competition – choice and adequate information. As consumer advocates, we are gravely concerned about the fairness and legality of bank schemes to increase credit and debit card fee income. We urge your Task Force to suggest that we follow in the steps of the Australian government and the European Union in carefully investigating interchange fees. We look forward to working with you in protecting consumers from anticompetitive tactics in this vital market.

Thank you for considering this testimony. I welcome your questions.

APPENDIX: Background on the groups

US PIRG

The United States Public Interest Research Group (U.S. PIRG) serves as the federal lobbying office for the state PIRGs. State PIRGs are non-profit, non-partisan consumer, environmental and good government watchdog groups with over 500,000 members around the United States. U.S. PIRG places a special emphasis on predatory financial practices and financial education and maintains a website at www.truthaboutcredit.org for consumers to obtain non-partisan information and fact sheets about credit card company practices. Recent major PIRG reports on credit card practices include the following: Graduating Into Debt: A Survey of On-Campus Credit Card Marketing In Maryland (2004); Deflate Your Rate: How To Lower Your Credit Card APR (2002) and The Credit Card Trap: How To Spot It, How To Avoid It (2001). www.uspirg.org

Consumer Federation of America

The Consumer Federation of America is non-profit organization of approximately 300 organizations (representing 50 million individuals) that, since 1968, has advanced the consumer interest through research, advocacy, and education. Comprised of approximately 300 nonprofit organizations from across the nation and more than 50 million individuals, CFA has been the voice of consumers since 1968. CFA is particularly concerned about issues affecting low and moderate income consumers. www.consumerfed.org

Consumer Action

Consumer Action is a national non-profit advocacy and education organization designed to serve consumers through the advancement of consumer rights. Founded in 1971, Consumer Action has built its reputation based on its multilingual education and advocacy efforts, particularly in the fields of credit, banking, privacy, insurance, and utilities. Along with its advocacy programs, Consumer Action provides educational and technical assistance to more than 9,000 community – based and government agencies in order to ensure access to consumer education. Staff and leaders of Consumer Action are often called upon by the media to provide expert commentary on consumer-based issues. Consumer Action also operates The National Consumer Resource Center (NCRC), which educates and informs clients about current consumer issues. Consumer Action conducts an annual survey of credit card practices. www.consumer-action.org