

Interchange waiver on charitable donations

The credit card industry plays its part supporting major cross-charity or disaster fundraising appeals through the interchange waiver scheme

Individual card companies are involved in supporting a broad range of charities worldwide and will often make donations or special arrangements for their own chosen charities. The card industry as a whole shows its support for charitable causes by waiving interchange fees for cross-charity and disaster or emergency appeals.

Interchange is a fee paid by an acquirer (a bank that provides services to merchants) to a credit card issuer for each transaction made.

The card industry seeks to support, through the waiving of interchange fees, multi-charity appeals of a non-political nature that aim to provide humanitarian

assistance on a mass scale in respect of specific disasters and crises in areas where infrastructure and economics inhibit rebuilding and the resumption of normal daily operations.

For many years the UK payments industry has waived fees for appeals which are designated as major international emergencies by the Disaster Emergencies Commission (DEC) such as the December 2004 South East Asian tsunami, or are cross-charity intensive fundraising events like Red Nose Day or Children in Need.

This means that the industry is able to help the response to humanitarian disasters quickly and effectively.

The industry does not typically waive fees for planned one-off events from single-interest charities but prefers to work with wider appeals.

To waive charges for all charitable giving in the UK would, sadly, not be viable commercially and that is why the industry has to be able to choose fairly where this support goes. The industry believes the criteria of urgent and extreme humanitarian need and being even-handed are good guides in making that difficult decision.