

Kroger is considering a ban on one of its most common forms of payment

Dennis Green Aug. 1, 2018, 11:33 AM



BUSINESS
INSIDER

TECH

FINANCE

POLITICS

STRATEGY

I



Kroger will not be accepting Visa cards at its Foods Co. stores in California.
AP/Rogelio V. Solis

- **Kroger will ban Visa cards as a form of payment at its Foods Co. stores on August 14.**
- **A Kroger spokesperson said the ban could expand to all of Kroger's thousands of stores.**

- **The ban is due to Visa's fees, which the grocer says are "out of alignment."**

Visa is everywhere you want to be — except, potentially, the nation's largest grocery-store chain in terms of sales.

Kroger subsidiary Foods Co. will enact a ban on paying with Visa credit cards starting on August 14. The ban is currently slated to affect 21 stores and five gas stations in California starting on August 14. Debit cards will not be affected by the ban, even if they are managed by Visa.

In a statement from Foods Co. to Business Insider, the brand says the fees Visa charges retailers are the "highest of any credit card brand."

"The savings will be passed along to Foods Co. customers in the form of low everyday prices on the items shoppers purchase most," the statement continues.

But Kroger has signaled that the ban could expand from Foods Co., a no-frills discount grocery store with a limited number of locations, to Kroger's main brand, which has 2,778 stores nationwide.

Kroger's chief information officer, Chris Hjelm, told Bloomberg that the fees Visa charges are "out of alignment."

VIDEOS YOU MAY LIKE

by Taboola

The 19-year-old model who quit Instagram explains the lies behind her most popular photo

Prince Harry gave a brilliant response to a 9-year-old who asked him if he'll ever be king

What an expert on con artists thinks of Donald Trump

A Navy SEAL explains what to do if you're attacked by a dog

FROM THE WEB

by Taboola

Cardiologist: "This Is What Happens When You Eat A Steak"

Gundry MD

US Obesity Doctor Shares The No.1 Worst Carb You're Eating

Nucific

"It's pretty clear we need to move down this path, and if we have to expand that beyond Foods Co., we're prepared to take that step," [the spokesperson told Bloomberg](#) . "We don't believe we have a choice but to use whatever mechanism possible to get it back in alignment."

Visa is the most popular card payment organization in the US, with [about 53% of the credit card market](#) . According to [the Wall Street Journal](#) , citing the Nilson Report, retailers paid \$43.4 billion in swipe fees to Visa and Mastercard in 2017. These fees are charged whenever a customer uses a credit card at that retailer.

[A Visa spokesperson told Business Insider](#) that it is "disappointed" with the decision by Foods Co.

"When consumer choice is limited, nobody wins. Our goal is to protect the interests of our cardholders to ensure they can use their Visa credit cards wherever they shop. Visa remains committed to working with Kroger to reach a reasonable solution," the spokesperson said.

Learn more:

- [Credit Card Industry and Market](#)
- [Mobile Payment Technologies](#)
- [Mobile Payments Industry](#)
- [Mobile Payment Market, Trends and Adoption](#)
- [Credit Card Processing Industry](#)

SPONSORED FINANCIAL CONTENT

Buy and hold these 6 stocks to generate steady income in retirement. [Liberty Through Wealth](#)

Silicon Valley Insiders reveal shocking internet "glitch" [Dent Research](#)

Here are the Savings Accounts Your Bank Doesn't Want You to Know About [smartasset](#)

How diversifying with closed-end funds can enhance your portfolio. [Aberdeen Standard](#)

If You Can Qualify for Any Credit Card, These Are the Top 6 [NerdWallet](#)

[dianomi](#)

BUSINESS INSIDER INTELLIGENCE EXCLUSIVE ON ARTIFICIAL INTELLIGENCE

**DISCOVER THE FUTURE OF FINTECH
WITH THIS EXCLUSIVE SLIDE DECK**
