

The largest issuer of MasterCard debit cards in the U.S. is switching over to Visa.

The United Services Automobile Association (USAA), one of the largest issuers overall of debit and credit cards in the United States, announced (https://www.usaa.com/inet/pages/bk_CC_conversion_landing_mkt?adID=VURL_VISA&kredirect=true) over the weekend that it is moving its portfolio (of both types of cards) to Visa, ending — as *The Wall Street Journal* (<http://www.wsj.com/articles/usaa-switching-credit-debit-cards-to-visa-from-mastercard-1445723841?alg=y>) notes — a 30-year relationship with MasterCard.

“Most cards will be changed from MasterCard to Visa throughout 2016,” says a statement on the USAA site. The financial institution, which serves members of the military and their families with a variety of financial services, also mentions that the shift to Visa “provides [it] the opportunity to offer more benefits, including the elimination of foreign transaction fees for all USAA Visa credit cards” beginning next year.

In confirming the news, MasterCard stated (via *WSJ*) that the company had “reached a point where the economics [of re-upping its arrangement with USAA] did not make sense.”

“While we don’t like losing anything,” the payments network remarked, “this is part of our business, and we factor this into how we work.”

USAA-issued MasterCard debit cards were responsible for \$26 billion in purchase volume in 2014, according to an April 2015 issue of the Nilson Report (http://www.nilsonreport.com/publication_newsletter_archive_issue.php?issue=1062), making the financial institution the network’s top issuer of debit cards. In second place for MasterCard in that category was Fifth Third, which accounted for \$20 billion of MasterCard debit purchase volume last year.

While a Visa spokeswoman likewise confirmed to *WSJ* that the company was taking on USAA’s portfolio, the financial details of the arrangement were not made available.

On the credit side of things, notes the Nilson Report, USAA is the tenth-largest issuer of credit cards in the United States, with \$17.53 billion in outstanding loans as of June 30.

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