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# Walmart Expands Its Visa Ban To Manitoba Stores

CP | By Linda Nguyen, The Canadian Press

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## THE CANADIAN PRESS

TORONTO — Walmart Canada continued its battle with Visa over merchant fees Thursday, with an announcement that it will no longer accept the popular credit card at any of its Manitoba stores starting next month.

The U.S.-based retail giant said the change will come into effect at all 16 locations in the province as of Oct. 24. Customers will still be able to pay for purchases with cash, debit, MasterCard and American Express cards.

Walmart pledged in June that it would stop accepting Visa at its more than 400 Canadian stores, arguing that it unfairly pays more than \$100 million annually in credit card fees.

Three Thunder Bay, Ont., stores were the first locations to drop the credit card on July 18.



Walmart Supercentre in Kingston, Ont., on June 20. (Photo: Lars Hagberg/The Canadian Press)

Walmart spokesman Alex Robertson said it decided to continue the phase-out in Manitoba after seeing the small impact it made in Thunder Bay.

"There has been no surprises. Reaction from customers has been better than expected," he said, noting that the Visa ban in Manitoba Walmarts will involve retraining cashiers and reprogramming payment equipment.

Robertson said the retailer is singling out Visa because its fees are higher than its rivals, refuting the idea that the decision is due to attempts to promote the usage of Walmart's own branded MasterCard.

"The reason why we're doing it is because the fees are too high," he said. "Visa is the company we're dealing with right now."

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**"There has been no surprises. Reaction from customers has been better than expected."**

When asked whether Walmart has plans to ban any other credit cards from its stores, he replied that he wasn't going to speculate on what the company will do in the future.

Visa, the country's largest credit card firm, declined a request for an interview but said in a statement that Walmart's decision to drop Visa at more store locations was "disappointing."

"We know from our experience in Thunder Bay that consumers want the option to use the payment method of their choice when shopping — including at Walmart stores," said spokeswoman Carla Hindman in an email.



Bloomberg via Getty Images

A Visa Inc. logo on a credit card. (Photo: Simon Dawson/Bloomberg via Getty Images)

Previously, Visa had said it had offered Walmart one of the lowest rates for any merchant in the country but the retailer wanted more. If it had given in, Walmart's merchant fees would have been lower than those charged to local grocery markets, pharmacies, convenience stores, charities and schools.

According to consumer finance industry newsletter Nilson Report, Visa accounts for 56 per cent of credit card transactions globally in 2015, with MasterCard behind at 26 per cent.

Credit card companies generally charge retailers between one per cent to 2.5 per cent of the cost of purchases in merchant fees. The fees can vary depending on the type of card a customer is using, with cash-back and points cards racking up the largest fees.

The Retail Council of Canada, which represents businesses including Walmart, said Visa and MasterCard have lowered their merchant fees to an average of 1.5 per cent.

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**"Our opinion is that credit card fees are grossly inflated in Canada when compared to most of the rest of the world."**

Even so, it said that is not low enough compared to what the companies charge retailers in other countries.

"Our opinion is that credit card fees are grossly inflated in Canada when compared to most of the rest of the world," said Retail Council spokesman Karl Littler. "Let's be clear — 1.5 per cent is nowhere near low enough."

Littler noted that credit cards companies charge merchants fees of 0.28 per cent in France, 0.3 per cent in the U.K. and 0.99 per cent in Israel. But in the U.S., he said rates are comparable to Canada.

The council said it continues to call on Ottawa to intervene to mandate lower fees for all merchants.

"There's an obligation for the government to step in and deal with those fees, whether through regulation or the necessary application of moral suasion," said Littler. "Our point is that they need to come down."

The federal government says it is continuing to look into the matter.

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## Conversations

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**Bev. Ryan**

I still say it's all a ploy to get people that shop there to switch over to a Walmart MasterCard. Every time I pay for purchases with my Visa card I have to listen to cashier's sales pitch on how I should sign up for MasterCard, how good it is..blah,blah,blah. They're many!!! smaller retailers that accept Visa and don't hear them complaining about fees etc.

Like · Reply · 4 · 21 hrs · Edited



**Melnychuk Brian N Nancy** · Whitby, Ontario

Walmart saves money by getting customers to use their own Walmart Mastercard..... so you are absolutely correct! Save Money Live Better..... for the Walton family.....

Like · Reply · 1 · 18 hrs



**Georgese English**

If Walmart wanted to stop taking Visa they would pull it from all stores. They are looking for more profits for their shareholders. So the slow burn. To bad they are using their customers as bargaining chips in their fight with Visa. I have pretty much stopped shopping there. No Visa I shop elsewhere.

Like · Reply · 1 · 21 hrs



**Paul Watchman**

Shareholders? No, they make this for their executives and the Walton family which owns over \$15.6 Billion in shares (55% of the company).

Like · Reply · 2 · 20 hrs · Edited



**Kelly Lynn**

Love my Visa, my attitude is like fine I won't shop there lol

Like · Reply · 4 · 20 hrs



**Paul Watchman**

Walmart is so big that they can dictate terms and skew the market. IN the US they leverage this to have government support their workers through food stamps and other benefits because they don't pay their employees a living wage.

Now they are dictating to consumers how to pay for their purchases.. why, because they get a kickback on every MasterCard (Visa's competitors) that consumers use. But, that would be bad press. However, going after a Bank, a Credit Card, and by not making this about Consumer choice in how they purchase, Walmart hopes you forget that they are pulling the strings behind the backs of consumers dictating terms and laughing all the way to the bank.

Like · Reply · 1 · 20 hrs



**Paul Watchman**

What the plutocracy wants, the plutocracy takes.

<http://walmart1percent.org/family/>

Like · Reply · 20 hrs



**Geb Brunt**

Will you pass on the savings to customers. Hello..... Walmart..... crickets.... That is what I thought. I will be happy to bring my order to the cashier and leave it there when you refuse my VISA.

Like · Reply · 1 · 20 hrs

[Like](#) · [Reply](#) ·  3 · 19 hrs



**Barbara M. Johnson** · Victoria, British Columbia  
Good bye, Walmart for you are going the way of TARGET.

[Like](#) · [Reply](#) ·  1 · 19 hrs



**Steve Northey** · President at PRMM Canada  
They seem to be doing ok...

[Like](#) · [Reply](#) · 20 mins



**Jennifer Larke Friesen**  
Oh well, I don't need to shop there anyway. I was going to buy some large items there instead of Costco since I could use my Visa, but not now.

[Like](#) · [Reply](#) · 17 hrs



**Carol Barbeau**  
I don't trust Wal-mart at all. Shopping less there, and now is a great time to withdraw.

[Like](#) · [Reply](#) ·  1 · 16 hrs



**Jan Pulfrey** · Shelburne, Nova Scotia  
It is annoying, but I sort of respect the stand they are making. Visa merchant charges are ridiculous and if you don't think that it is being passed on to the customer, you are living in a dreamland.

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