

Walmart to stop accepting Visa cards across its stores in Canada

By Kedar Grandhi

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Walmart will stop accepting Visa cards across all its 405 Canadian stores, the American supermarket chain has said. This marks the latest in the tussle between the credit card processor and Walmart over fees and other issues, which has been ongoing for years.

The move will be initially made effective only across three stores in Thunder Bay, a city in the Canadian province of Ontario, starting 18 July. "After Thunder Bay, it'll be a phased approach across the country," a Walmart spokeswoman said.

"We're constantly working to reduce our operating costs, including credit card fees. Unfortunately, Visa and Wal-Mart have been unable to agree on an appropriate fee for Visa transactions", she said, before adding it would continue to accept MasterCard, American Express, Discover and other cards at its stores.

Visa, while expressing regret over Walmart's decision, argued that the supermarket chain had made the call "despite Visa offering one of the lowest rates available to any merchant in the country."

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"We are disappointed that Wal-Mart chose to put their own financial interests ahead of their own consumers' choice," Visa said, before adding that the decision would have a "negative impact" on shoppers in the country, according to The Wall Street Journal.

In Canada, Visa holds the position of being the largest payments network. While it has 50.6 million cards in circulation here, about \$232.59bn (£163.16bn, €206.71bn) worth of

transactions were done on its cards in 2015, according to the Nilson Report, an industry newsletter.

The tussle between these two companies is neither new nor is it limited to Canada. As recently as in May, Walmart filed a lawsuit in the New York state court over differences with regards to how customers choose to verify their debit-card purchases at the register.

While Walmart wanted Visa card holders to authenticate the payment with a personal identification number (PIN) when Visa customers use a chip-enabled debit card, the credit card processor was alleged to have prohibited these card holders from requiring PINs. This is said to have forced Walmart to allow customers to authenticate the transactions with just a signature.

