

Payments Industry Protects Consumers from Price Gouging

At a time when so many Americans are struggling to cope with economic challenges of the COVID-19 crisis, there are unfortunately those who seek to profit by dramatically raising prices on goods critical to our well-being: price gougers. The payments industry is committed to identifying and shutting down those who illegally prey on consumers.

The industry has a long history of fighting illegal activity, including price gouging and fraud. It uses a variety of tools to help protect consumers and the integrity of the payment systems, such as:

- Engaging in robust underwriting and due diligence when signing up merchants,
- Reviewing merchant pricing to ensure it is both logical and in line with the market,
- Monitoring transactions for significant jumps in average sales tickets over set periods of time (such as the past 7, 14, 30, and 60 days),
- Monitoring ecommerce websites for non-compliant activities by, among other methods, performing price reviews of websites that show a significant increase in sales volume and other indicators,
- Publishing industry best practices, such as the Electronic Transactions Association's (ETA) *Guidelines on Merchant and ISO Underwriting and Risk Management and Payment Facilitator Guidelines*.

This process helps identify price gouging and ensures that consumers do not bear the cost. If any illegal activity is identified by their processor, the merchant may be subject to fines and potential suspension and termination of service.

ETA members work closely with law enforcement, and federal and state consumer protection agencies, to support efforts to prevent or remediate price gouging or other illegal conduct. Companies report



suspicious activity to law enforcement authorities and have their call centers refer consumers who have concerns about price gouging to report the activity directly to their state Attorney General.

The industry is on high alert during the pandemic. One ETA member has already reported a merchant to the Department of Health and Human Services for selling N95 masks for \$200 apiece. And another has recently suspended processing for over 6,000 sellers for price gouging. These are just a few examples of what our members are doing to protect consumers during these challenging times.

ETA represents over 500 member companies that power digital commerce online and across the world. We represent the complete payments technology ecosystem, including financial institutions, payments processors, merchant acquirers and payments sales organizations, FinTechs, technology companies, security companies, software developers. Our member are all working to assist consumers and small businesses by providing access to secure, convenient, and rewarding electronic payment solutions — and offering relief, from waiving fees to offering deferments and forbearance, among other programs during these challenging times.

ETA has a resources site for consumers and small businesses to address COVID-19, electran.org/covid19, including the contact information of all 50 Attorneys Generals to make it easy for consumers to report suspected price gouging.

