



COMPETITION APPEAL TRIBUNAL

NOTICE OF AN APPLICATION TO COMMENCE COLLECTIVE PROCEEDINGS UNDER SECTION 47B OF THE COMPETITION ACT 1998

Case No: 1794/7/7/26

Pursuant to rule 76(8) of the Competition Appeal Tribunal Rules 2015 (S.I. 2015 No. 1648) (the “Tribunal Rules”), the Registrar gives notice of the receipt on 5 October 2026 of an application to commence collective proceedings, under section 47B of the Competition Act 1998 (“the Act”), by Ann Pope Collective Proceedings Limited (the “Applicant/Proposed Class Representative/PCR”) against (1) Mastercard Incorporated; (2) Mastercard International Incorporated; (3) Mastercard Europe SA; (4) Mastercard/Europay UK Limited; (5) Mastercard UK Management Services Limited; (6) Mastercard Europe Services Limited (together “Mastercard/the Proposed Mastercard Defendants”); (7) Visa, Inc.; (8) Visa International Service Association; (9) Visa Europe Services LLC; (10) Visa Europe Limited; and (11) Visa UK Limited (together “Visa/the Proposed Visa Defendants” and together with Mastercard the “Proposed Defendants”). The Proposed Class Representative is represented by Geradin Partners Limited, Copthall House, 14-18 Copthall Avenue, London, EC2N 7DJ (Reference: David Gallagher and Patrick Teague).

The Collective Proceedings Claim Form (the “CPCF”) states that the claims which the PCR seeks to combine (the “Claims”) are for loss and damage caused by the Proposed Defendants’ (or their group entities’) breaches of statutory duty by their infringement of section 2 of the Act and/or article 101 of the Treaty on the Functioning of the European Union (“TFEU”) (up to 31 December 2020). As to the period of infringement, the “Claim Period” begins on 6 October 2020 and 6 October 2021 (in respect of Scots law claims), in line with the respective 6- and 5-year limitation periods that apply and continues to the date of judgment.

The First Proposed Defendant, Mastercard Incorporated, is a United States stock corporation registered in Delaware. The First Proposed Defendant operates as the holding company of the Second, Third, and Fourth Proposed Defendants. The Second Proposed Defendant, Mastercard International Incorporated, is a United States stock corporation registered in Delaware. The Third Proposed Defendant, Mastercard Europe SA (formerly Mastercard Europe SPRL), is a private limited liability company incorporated in Belgium. The Fourth to Sixth Proposed Defendants, Mastercard/Europay UK Limited, Mastercard UK Management Services Limited, and Mastercard Europe Services Limited, are private limited liability companies incorporated in England and Wales, whose ultimate parent company is the First Proposed Defendant.

The First to Fourth Proposed Defendants are involved in and/or have in the past been involved in the Mastercard card scheme, including, in particular, the setting and application of the Subject MIFs and their implementation. The Proposed Mastercard Defendants are all part of a single economic entity and form a single undertaking for the purposes of the Act.

The Seventh Proposed Defendant is Visa Inc., a corporation incorporated under the State of Delaware, USA. The Seventh Proposed Defendant operates as the holding company of the Eighth Proposed Defendant (which is its wholly owned and controlled subsidiary) and acquired the Tenth Proposed Defendant on 21 June 2016. It is responsible for the overall commercial strategy of the Visa group worldwide. As part of this, the Subject MIFs are set by the Seventh Proposed Defendant on the part of Visa. The Eighth Proposed Defendant is Visa International Service Association, a membership

organisation registered under the laws of Delaware. Its members are banks and payment service providers that are card acquirers or card issuers or both. The Ninth Proposed Defendant is Visa Europe Services LLC, a United States stock company registered and incorporated in Delaware. It is also registered as an establishment in England and Wales as an overseas private corporation. The Tenth Proposed Defendant is Visa Europe Limited, a private limited company incorporated in England and Wales. The Tenth Proposed Defendant is the immediate parent company of the Ninth Proposed Defendant. The Eleventh Proposed Defendant is Visa UK Limited, a private limited company incorporated in the United Kingdom.

The Visa card scheme is and has during the Claim Period been managed and represented by the Seventh, Eighth, Ninth, Tenth, and Eleventh Proposed Defendants. All of the Proposed Visa Defendants are involved in and/or have in the past been involved in the Visa scheme, including, in particular, on the part of the Seventh Proposed Defendant, the setting and application of the Subject MIFs and their implementation. According to the CPCF, the Proposed Visa Defendants are all part of a single economic entity and form a single undertaking for the purposes of the Act.

The CPCF states that Visa and Mastercard operate four-party payment card schemes that facilitate electronic funds transfers throughout the world, most commonly through branded credit and debit cards. Under the “Mastercard Scheme” and “Visa Scheme” respectively (together, the “Schemes”): the CPCF explains, (i) issuers issue debit and/or credit cards to their cardholder customers; and (ii) acquirers provide payment services to merchants. The Proposed Defendants set the rules of their respective schemes (the “Scheme Rules”) and permit institutions to join the schemes as issuers and/or acquirers. The Scheme Rules make provision for the default terms on which issuers and acquirers are to deal with each other in absence of a different bilateral agreement made between them. These terms provide for the payment of a default interchange fee (“MIF”) on each transaction (the “Default Interchange Fee Rule”). The MIF payable by the acquirer to the issuer can vary under the Scheme Rules depending on the type of card, whether the cardholder is present when the transaction occurs or remote (as in the case of an online transaction) and whether the issuer and acquirer/merchant are based in the same state or region or different states or regions.

According to the CPCF, post-Brexit, in October 2021 and April 2022 respectively, Visa and Mastercard increased the level of the MIFs applicable to cardholder not present (“CNP”) transactions entered into with UK merchants using cards issued in the EEA (“Subject MIFs”) to 1.15% and 1.5% (for debit and credit cards respectively). The CPCF states that this was despite the UK continuing, post-Brexit, to form part of the Single Euro Payments Area (“SEPA”) and that the costs of transactions (the CPCF refers to transactions which attracted the Subject MIFs as “Subject Transactions”) in the UK using cards issued in the EEA have continued to be substantially the same post-Brexit as they were pre-Brexit. The CPCF states that the reason Visa and Mastercard increased the level of MIFs on the Subject Transactions was not an increase in the costs of such transactions post-Brexit but simply that, following Brexit, the level of MIFs on such transactions fell outside the scope of any specific legislative or regulatory cap.

The CPCF states that the principal allegation pursued in these proceedings is that the MIF applicable to the Subject Transactions post-Brexit is a breach by each of Visa and Mastercard of their respective obligations under section 2 of the Act. The CPCF alleges that the Proposed Defendants’ conduct had the object or effect of preventing, restricting or distorting competition in the UK acquiring market (the market for acquiring payment card transactions in which acquirers compete to provide the services and technology to merchants through which they can accept payment cards) because their application of the Default Interchange Fee Rule to the Subject Transactions during the Claim Period fixed a floor on the Merchant Service Charges (“MSCs”), which was higher than would have applied in any reasonable counterfactual. As a result, the PCR contends that the MSCs paid by UK-domiciled merchants on the Subject Transactions during the Claim Period were higher than they would

otherwise have been, as the whole amount, or the vast majority of, the MIF is passed on by acquirers to merchants.

The PCR alleges that UK-domiciled merchants are entitled to damages for the losses caused by the increased MIFs, which were passed on to merchants through higher MSCs. Those losses are equivalent to the difference between: (i) the Subject MIFs that were paid to issuers in respect of the Subject Transactions during the Claim Period and up to the date of judgment; minus (ii) the extent (if any) to which those Subject MIFs were not passed on by acquirers or were passed on by the merchants; minus (iii) the exemptible level (if any) of those Subject MIFs.

The PCR seeks to bring these proceedings on an opt-out basis on behalf of all UK-domiciled merchants (excluding those with claims managed as part of Case 1517/11/7/22 (UM) (the “Umbrella Proceedings”)) who received payment for goods or services paid for by a Mastercard or Visa consumer debit or credit card issued in a country in the EEA through CNP transactions during the Claim Period.

At present, the PCR estimates that there are approximately 126,000 merchants falling within that definition. The PCR’s expert economist preliminarily estimates that the total damages are likely to be in the region of £398 to 504 million for Visa and £294 to 380 million for Mastercard (on certain assumptions).

The CPCF states that it would be just and reasonable for the PCR to act as the class representative because:

1. The PCR is controlled by Ms Ann Pope, who has significant relevant experience;
2. The PCR has a workable plan for the proceedings;
3. The PCR has access to experienced and knowledgeable advisors;
4. The PCR has adequate arrangements in place to fund the proceedings;
5. The PCR has no conflict of interest;
6. The PCR has adequate arrangements in place to cover the risk of adverse costs;
7. The PCR does not seek an interim injunction, meaning there is no need to consider any possible undertaking as to damages; and
8. The PCR would act fairly and adequately in the interests of the Proposed Class Members (“PCMs”) as the PCR is not a member of the Proposed Class, is a company incorporated for the purpose of these proceedings, not a pre-existing body, and has a plan for the proposed collective proceedings.

The CPCF states that the Claims are suitable to be brought in collective proceedings because:

1. The proposed collective proceedings are an appropriate means for the fair and efficient resolution of the issues common to the underlying Claims. Indeed, collective proceedings are likely to be the only (and in any event will be the most) practically and economically viable method for many PCMs to obtain compensation for the losses suffered as a result of the infringement;
2. The benefits of having the Claims brought in collective proceedings outweigh any costs to the parties. Costs: (i) remain fair and proportionate in view of the Claims’ aggregate value; (ii) are outweighed by the benefits to PCMs from being able to pursue compensation for losses due to Visa and Mastercard’s infringement of competition law; and (iii) are accompanied by benefits to the Proposed Defendants from being able to resolve the Claims in a single set of proceedings;

3. On the question of the level of distribution of any eventual award which is likely to be achievable, the nature of the case suggests that 50% or more of any award in this case could ultimately be distributed to PCMs;
4. In light of the substantial overlap between the key issues that have been decided or arise for decision in the Umbrella Proceedings and these Claims, if a CPO is made in the present case, the PCR suggests in the CPCF how these collective proceedings would be efficiently managed alongside the Umbrella Proceedings;
5. As noted above, the PCR estimates that there will be approximately 126,000 members of the Proposed Class. A class of this size, in which each claimant has substantially the same claim, can realistically only bring its claims by way of collective proceedings;
6. It is possible to objectively determine whether a person is a PCM; and
7. The Claims are suitable for an aggregate award of damages.

According to the CPCF, the proposed collective proceedings should proceed on an opt-out basis because:

1. The Claims are strong for the purposes of rule 79(3)(a). The Claims are supported by a range of findings and decisions in a significant number of regulatory and litigation proceedings relating to Mastercard and Visa's MIFs.
2. It would not be practicable for the proceedings to be brought on an opt-in basis, given:
 - a. The amounts that many PCMs could recover are relatively modest (including compared to the costs of deciding whether to opt in and taking the steps necessary to do so);
 - b. Competition cases are complex and costly in general, and this case in particular, which will require detailed economic analysis, and would make it difficult for PCMs to conduct their own assessments of the strengths and the values of their various Claims. For reference, the mean Claim value is approximately £7,000 or £5,500 (depending on the counterfactual);
 - c. Given the potentially small quantum of individual claims, many of the PCMs are likely to be small businesses that would want to recover their losses but would be insufficiently resourced to take the proactive steps required for opt-in participation. Therefore, access to justice leans in favour of opt-out proceedings;
 - d. Many PCMs (and, in particular, smaller merchants) might be deterred from actively participating in an opt-in or individual action because of the Schemes' position as a key (in many cases, unavoidable) trading partner; and
 - e. While it seems unlikely that substantial numbers of PCMs would opt in (for the reasons given above), the costs of administering the claim if large numbers of them did so would be very high (and very much higher than the costs of proceedings on an opt-out basis).

The relief sought in these proceedings is:

- (1) Damages;
- (2) Simple interest;
- (3) Costs; and
- (4) Such further or other relief as the Tribunal may think fit.

Further details concerning the procedures of the Tribunal can be found on its website at www.catribunal.org.uk. Alternatively, the Tribunal Registry can be contacted by post at Salisbury Square House, 8 Salisbury Square, London EC4Y 8AP, or by telephone (020 7979 7979) or email (registry@catribunal.org.uk). Please quote the case number mentioned above in all communications.

Charles Dhanowa CBE, KC (Hon)
Registrar

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