

# Business ethics



Swipe Fee The banking industry has been grateful because they have received a delay in passage of the Durbin Amendment. This would have reduced the interchange or swipe fee which banks charge retailers for every time a customer uses a credit or debit card. Customers don't know about this fee. Every time a customer makes a purchase this fee is added to the cost of the item. Retailers and consumer advocates have opposed the fee and have supported this part of the Dodd-Frank financial reform law that would have reduced it. Provisions of the financial services reform law are being passed now as they are being worked out to fill parts of the law. The banks which provide the credit cards have been using the fees to supply a lucrative revenue source. Congressional leaders such as Rep. Barney Frank have been pressured by bank lobbyists to propose a delay to delay and revise the amendment. JPMorgan Chase Bank has said that if the bill, called the Durbin Amendment, would pass, it would have to cut such consumer benefits as the Disney Dream Reward Dollars. The amendment would now be revised or completely cut out the bill. 2. Who supports the extra fees? It's the banks who are currently not in good public favor. The reason they have the fees is in order to generate more income. Some reports have been written that if the fees were cut out or reduced the banks would then place fees on debit cards. In fact there is a big publication campaign expressing this very fact that debit card fees are about to be raised. Who is behind this campaign? Is it the banks? Why do the merchants not want this fee? For one thing it is a hidden charge. It is not on the sales receipt. Another thing is that it affects discounts the merchants would like to promote. Can one get clear information from the banks on this " transaction" fee? Not hardly. 3. What is the moral issue involved? The issue is that is it ethical for a bank to hide

fees? It is clearly not. Only if one worked for a bank could it be justified. Or if one believed that banks should charge as much as they could that the free market would allow. If this is the case then there would have to be some adjustments or regulations placed on the free market in this accord. The hidden move violates both utilitarianism and deontological positions.

Charging hidden fees is certainly only a good for a handful, those who work in banks. And it is morally wrong to charge hidden fees. If everyone did this then the value of money would inflate out of hand. Banks should expose their books in a manner that clearly shows their income. Rep. Barney Frank Pledges To Revise Dodd-Frank's 'Swipe Fee' Provision. Huffington Post.

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