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## IDEALCOST.COM & DURBIN (2010/06/30)



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### SUMMARY:

E-commerce merchants will not be safe under the latest Congressional legislation known as the Durbin Amendment. The legislation would direct the Federal Reserve Board to issue rules to ensure that debit interchange fees are reasonable and proportional to the processing costs incurred. This conclusion, drawn by IdealCost.com, a consulting firm that reduces credit card acceptance fees for merchants without switching their existing provider, indicates language in the Durbin Amendment is vague and misleading.



Subsequently, because e-commerce businesses won't save any money, IdealCost.com is suggesting Congress let the industry regulate itself.

### FULL STORY:

E-commerce merchants, one of the fastest-growing segments of the retail and service economy, will not be protected by new Congressional legislation, according to merchant rights advocate Robert Livingstone, president and founder of IdealCost.com, a consulting firm that reduces credit card acceptance fees for merchants without switching their existing provider. "It is a tragedy that Congress is forgetting about the rights of e-commerce merchants conducting business on the Internet," said Robert Livingstone, president of IdealCost.com. "Consumers won't save any money and e-commerce merchants will wind up paying higher fees." The proposed legislation, known as the Durbin Amendment, would direct the Federal Reserve Board to issue rules to ensure that debit interchange fees are reasonable and proportional to the processing costs incurred. However, Livingstone says this language is vague and misleading. He questions the merits of this proposal. "What exactly will this accomplish? I don't see any numbers in place. Additionally, who is going to pay the Fed to monitor the compliance with this program?" he said. "And why, as a small business, should I trust the Fed to have my best interests in mind?" IdealCost.com's founder also says: "This legislation has no true value and if fees are even reduced in any slight measure, we can surely expect the deficit to be made up on the credit card interchange fees or consumer interest rates. Additionally, Australia already tried to legislate these fees and failed miserably. Let's not make the same mistake here in the United States." In effect, the e-commerce businesses won't save any money. Instead, Livingstone proposes that Congress let the industry regulate itself. He also suggests that the industry require licensing for its sales people similar to the Real Estate and Insurance industries. "This would ensure far more stability and accountability in the industry," he said. About IdealCost.com Founded in 2008 in West Palm Beach, FL, IdealCost.com's mission is to protect large business owners from being taken advantage of by their credit card processors. Until now, merchants haven't had a viable solution to receive truly reasonable rates and fees. IdealCost.com is different from other companies because it is paid only from the savings that it generates for clients. This performance-based guarantee makes clients feel at ease because traditional credit card processing salesmen are paid a commission even when they raise their client's rates and fees. The company represents the merchant rather than acting as an agent for the banks or credit card processors. IdealCost.com performs merchant account audits and offers consulting services. The company strives to separate itself from the stigma of the credit card processing industry. IdealCost.com allows business owners to stop worrying about their merchant account and return to more important matters in their businesses such as sales, customer service, and providing for their families.

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