

CT-2010-010

**THE COMPETITION TRIBUNAL**

**IN THE MATTER OF** the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

**AND IN THE MATTER OF** an application by the Commissioner of Competition pursuant to section 76 of the *Competition Act*;

**AND IN THE MATTER OF** certain agreements or arrangements implemented or enforced by Visa Canada Corporation and MasterCard International Incorporated.

**BETWEEN:**

COMPETITION TRIBUNAL TRIBUNAL DE LA CONCURRENCE  <b>RECEIVED / REÇU</b> April 27, 2012  REGISTRAR / REGISTRAIRE	
OTTAWA, ONT.	by / par C. Fortin doc. no. 228

**THE COMMISSIONER OF COMPETITION**

Applicant

- and -

**VISA CANADA CORPORATION AND  
MASTERCARD INTERNATIONAL INCORPORATED**

Respondents

- and -

**CANADIAN BANKERS ASSOCIATIONS AND  
THE TORONTO-DOMINION BANK**

Intervenors

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**WITNESS STATEMENT OF MARION VAN IMPE**

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1. I am the Director of Student Accounts & Treasury at the University of Saskatchewan (the "University"), a position I have held since 2003.

2. The University was founded in Saskatoon in 1907 as an agricultural college and currently operates as a research-based post-secondary educational institution offering over 100 programs in a wide variety of fields and disciplines. More than 20,000 undergraduate and graduate students are currently enrolled at the University.

### **Background**

3. I joined the University in 1999 and held the position of Treasury Manager before becoming its Director of Student Accounts & Treasury in 2003.

4. Prior to joining the University, I was employed with Uranerz Exploration & Mining Ltd., an international corporation, as Treasury Manager. As Treasury Manager at Uranerz, I was responsible for corporate treasury functions, including the negotiation of credit facilities and the management of a hedging program for foreign exchange and commodity risks.

5. As the Director of Student Accounts & Treasury at the University, I oversee the department responsible for the collection of tuition and fees, as well as payment of scholarships and other financial services that relate to students. I also have responsibility for cash management functions, investment and foreign currency services, and the negotiation of agreements between the University and Acquirers governing the supply of credit card network services.

### **Tuition and other Sources of Revenue**

6. The University generates revenue from several sources. In 2011-2012, revenues from these sources totalled approximately \$900 million, including [REDACTED] million in tuition. There

are approximately 50 different merchants operating at the University, including the bookstore, food services, residences and the advancement office.

7. Tuition at the University ranges from \$5,700 to \$33,700 per academic year for a full time undergraduate student from Canada. Generally, undergraduate students coming from other countries are assessed tuition at 2.6 times the rate for Canadian students. Graduate student tuition ranges from \$3,900 to \$25,525 per academic year depending on the program selected. With the exception of students in certain programs, international graduate students are assessed tuition at 1.5 times the posted rate for domestic students in the same program.

#### **Credit Card Acceptance at the University**

8. Between 2000 and 2010, the University accepted Visa and MasterCard credit cards for tuition payments made in-person or online. However, as described in greater detail below, effective September 1, 2010, credit cards are no longer accepted by the University for tuition payments that are made in-person due to the high costs associated with credit card acceptance. Students can pay for tuition in-person using cash, cheque or Interac debit, by mail using a cheque or money order, or through telephone or online banking. International students who do not have a Canadian bank account may use wire transfers, money orders or bank certified cheques to pay their tuition.

9. The University continues to accept MasterCard credit cards for tuition payments that are made online, although payments made using a credit card are now subject to an additional 1% fee. The University applies the 1% fee (commonly referred to as an "administration fee" or "convenience fee") to partially offset the high costs of credit card acceptance and to encourage students to use other less-costly payment methods.

10. Credit cards, including both Visa and MasterCard, continue to be accepted without an additional fee at many other campus merchants, such as the bookstore, residences

and veterinary clinics, as well as for non-credit courses offered by the Centre for Continuing and Distance Education.

11. Since 2002, Moneris Solutions Corporation ("Moneris") has acquired credit card transactions at the University. As the University's Acquirer, Moneris supplies the services required by the University to accept credit cards as a form of payment, including access to the Visa and MasterCard credit card networks, facilitation of authorization requests for credit card transactions and settlement of payment.

12. Moneris provides credit card services to all merchants on campus under a single agreement negotiated between Moneris and the University (the "Merchant Agreement"). The University's Merchant Agreement has a [REDACTED] term, but the University retains the right to terminate it on [REDACTED] notice. A Copy of the Merchant Agreement with Moneris is attached as Exhibit "A" to this witness statement.

13. Under the Merchant Agreement with Moneris, the University pays Moneris a fee of approximately [REDACTED] of the value of each transaction made using a credit card (commonly referred to as the "Merchant Discount Rate" or "Merchant Service Fee"). The Merchant Discount Rate for both Visa and MasterCard vary by card type (consumer card, premium card, super-premium card, corporate card) and processing method (in-person, online and card-not-present).

[REDACTED]

[REDACTED]

14. In 2009-2010, credit cards were the most expensive form of tuition payment accepted by the University with an average cost of [REDACTED] per transaction. In comparison, the per transaction cost (including bank fees and internal staffing) for cheques, Interac debit and online banking was approximately [REDACTED] per transaction.

**Increasing Cost of Credit Card Acceptance**

15. As noted above, during the period 2000 to 2010, the University accepted both Visa and MasterCard credit cards for tuition payments, including payments made in-person and online. The decision to begin accepting credit cards for tuition payments in 2000 was made at a time when the University was trying to provide more online services. At that time, the University estimated the annual costs of accepting credit cards for tuition payments to be approximately \$140,000. This estimated cost was based on a number of assumptions, including an average Merchant Service Fee of [REDACTED] and an acceptance rate of 20% (i.e. 20% of tuition paid by credit card).

16. However, in the ensuing 10 year period, the average Merchant Service Fee increased by about 20% from [REDACTED] to approximately [REDACTED]. At the same time, the percentage of tuition paid by credit card increased to 42% in 2010. As a result of the increasing costs of credit card acceptance and increased use of credit cards, the overall cost to the University resulting from accepting credit cards for tuition payments rose from the original estimate of \$140,000 in 2000 to \$900,000 in the 2009-2010 academic year, an increase of over 600%. This increase made the costs of accepting credit cards for tuition payments unsustainable for the University.

17. The University strives to balance the desire to be client-oriented with the need to be responsible with the public funds entrusted to the institution. As an institution that is primarily funded by students, donations and public sources, the University is committed to operating in a manner that is fiscally responsible and, where possible, reducing its costs of operation. In respect of tuition for students, the University's focus is on accessibility, affordability, comparability to other institutions and ensuring an appropriately resourced university.

18. As is evident from the above, Merchant Service Fees are difficult to forecast or mitigate given the ability of Visa and MasterCard to unilaterally increase such fees. Also,

Merchant Service Fees are less transparent than other costs. The University cannot reasonably determine the proportion of tuition that will be paid using premium credit cards, which carry higher Merchant Service Fees than standard credit cards.

**Discontinuing or Limiting Credit Card Acceptance**

19. As a result of the significant increases in the costs of credit card acceptance, the University revisited its decision to accept credit cards for tuition payments. In an ongoing effort to manage the public funds entrusted to it as effectively as possible, the University undertook surveys and consultations with student groups and examined a variety of options to address the rising costs associated with accepting credit cards for tuition payments.

20. Many universities in Canada have encountered similar issues. To my knowledge, universities such as McGill University, the University of Toronto, and the University of Ottawa have never accepted credit cards for tuition payments, while the University of Alberta, the University of British Columbia and Dalhousie University have discontinued acceptance as a result of the increased costs of credit card acceptance.

21. Moreover, a survey by the Canadian Association of University Business Officers, conducted in 2009, reported that 70% of Canadian universities either do not accept credit cards for tuition payments or were considering discontinuing acceptance. A copy of this survey is attached as Exhibit "B" to this witness statement.

22. However, after soliciting feedback from our students via a survey in Fall 2009 and consulting with both the University of Saskatchewan Students' Union and the Graduate Students' Association, the University determined that acceptance of credit cards provided a convenient form of payment to students wishing to pay tuition online. As a consequence, we examined ways that the University could continue to accept credit cards at a more reasonable cost.

The Merchant Rules

23. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

24. The University considered a number of options for ways to control the costs of credit card acceptance and to discourage the use of credit cards. [REDACTED]

[REDACTED]

[REDACTED]

25. I sought the assistance of our Acquirer, Moneris, as to the most appropriate way to implement the University's proposed strategy within the terms of our Merchant Agreement. I brought to the attention of Moneris selected paragraphs from my review of Visa's and MasterCard's Merchant Rules and guidelines, including MasterCard's Convenience Fee Program and Visa's comparable rules. I believe that Moneris engaged in negotiations with Visa and MasterCard on the University's behalf, following which it reached an understanding with MasterCard that the University would be eligible to apply an additional fee, referred to as a "convenience fee", to payments made using a MasterCard credit card. A copy of a document describing MasterCard's Convenience Fee Program is attached to this witness statement as Exhibit "C".

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26. Moneris also arranged a conference call with myself and [REDACTED] of Visa Canada on March 22, 2010. During this conference call, [REDACTED] stated that Visa would not allow the University to impose an additional fee for use of a Visa credit card.

27. Visa's stated position was made publicly known in an article written by Brian Weiner, head of interchange for Visa Canada, to the *Saskatoon StarPhoenix* newspaper. A copy of this article is attached to this witness statement as Exhibit "D". Visa believed that the 1% fee proposed by the University constituted a "surcharge". According to Visa, a surcharge is a practice whereby an additional fee is levied on purchasers when they pay with a particular card. Surcharging is prohibited by Visa's Merchant Rules.

28. Visa was willing to discuss potential reductions in the Merchant Service Fees charged to the University [REDACTED] [REDACTED] in order to offset our desire to impose a 1% administration fee on students who choose to pay with a credit card. However, because Visa can increase its fees at any time, the University determined that Visa's proposal would not give the University any control or certainty over its Merchant Service Fees.

29. The University also considered the practicality of implementing a discount for non-credit card payments as permitted by our Merchant Agreement and the Merchant Rules. However this would have required implementing a discount for all students paying with methods of payment other than credit cards including, students paying with cheque, money order or through telephone or online banking. Providing a discount to students paying with cheque, money order or through telephone or online banking would require the University to administer a refund to students after the tuition payment was received. The University concluded that a discount for non-credit card payments would be impractical to administer.



30. As a result of the negotiations with Visa and MasterCard, the University announced in July 2010 that effective September 1, 2010, the University would continue to accept MasterCard for online tuition payments, subject to a 1% fee, but would no longer accept Visa credit cards for tuition payments because Visa does not allow universities to charge an additional fee. A copy of the University's announcement is attached to this witness statement as Exhibit "E".

31. When we first introduced the changes to our credit card acceptance policy in July 2010, we issued an announcement to all students, faculty and staff through the University announcement channel and directed them to information on our website. The 1% administration fee is clearly described on our Financial Services Division website, in a section titled "Payment of Tuition and Fees". In addition, we have included a link to Frequently Asked Questions describing the Tuition Option Changes. A copy of the relevant pages from the University's website is attached to this witness statement as Exhibit "F".

32. The implementation of the administration fee required customization of the University's "Tuition and Fees Channel" to calculate and disclose the 1% fee to students. Students are notified of the amount and must accept the fee before proceeding to payment through Moneris. A copy of the relevant page from the student payment page is attached to this witness statement as Exhibit "G".

33. The University committed to redirect the savings from the imposition of an administration fee into projects geared toward enhancing the student experience. In the 2010-2011 academic year, the University realized approximately \$600,000 in savings as a result of changes to its credit card acceptance policy and has used these savings towards the costs of building of a new Student Health and Counselling Centre.

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34. Our students have strongly supported the University's changes to our credit card acceptance policy for tuition payments. We have also had a number of inquiries from other post-secondary institutions, asking about our implementation of credit card surcharges.

**The Effect of Surcharging**

35. As a result of the discontinuance of Visa and the introduction of the administration fee of 1% on tuition payments with a MasterCard credit card, the percentage of tuition payments made with credit cards has fallen from 42% in the 2009-2010 academic year to less than 20% in the 2010-2011 academic year. The majority of students who formerly paid by credit card appear to have changed to online banking, which results in very low fees for the University.

36. The University would like to resume acceptance of Visa credit cards for tuition payments and would like to accept Visa and MasterCard credit cards for in-person tuition payments. Nevertheless, the University would do so only if it had the ability to apply a surcharge to offset all or part of the costs of credit card acceptance.

Signed: March 6, 2012



MARION VAN IMPE

**EXHIBIT "A"**

**[Redacted]**

**EXHIBIT "B"**

**[Redacted]**

# The MasterCard® Convenience Fee Program



## Program Summary

MasterCard has put in place a convenience fee program for participating pre-certified government and education entities, or their third-party agents. Participants in the program will be permitted to assess a convenience fee for MasterCard transactions, whether conducted in person, Internet, phone, mail or kiosk, versus other forms of payment, such as cash, check, Automated Clearing House (ACH), and Personal Identification Number (PIN) based debit, provided that the conditions set out below are satisfied.

## Eligible Payments and Allowable Convenience Fees

- Eligible payments include payments collected by the entity from individuals and businesses that are eligible to be collected on a payment card.
- MasterCard cardholders cannot be assessed a convenience fee that would discriminate against the brand relative to other payment card acceptance brands, such as American Express, Discover, and Visa.

## Program Participation Eligibility and Requirements

The MasterCard Convenience Fee Program is open to the following educational institutions and public sector merchant categories:

- Elementary and secondary schools for tuition and related fees, and school-maintained room and board
- Colleges, universities, professional schools, and junior colleges for tuition and related fees, and school-maintained room and board
- Local, state, and federal courts of law that administer and process court fees, alimony, and child support payments
- Government entities that administer and process local, state, and federal fines
- Local, state, and federal entities that engage in financial administration and taxation
- Government Services; merchants that provide general support services for the government

Your acquirer (see “How to Get Started”) will be able to determine whether your institution or public sector agency is eligible for the MasterCard Convenience Fee Program. Once that determination has been made, your acquirer will need to register you for the program—whether you have already started a card acceptance program or are launching a new program.

As a participant in the program, your organization must also meet these additional requirements:

- Participants that store or process MasterCard account data for Internet-based transactions must provide evidence of compliance with the MasterCard Site Data Protection (SDP) program’s underlying Payment Card Industry (PCI) Data Security Standard to their acquirer. Evidence of compliance must include a successful quarterly scan report from a MasterCard approved scanning vendor and a compliant annual self-assessment questionnaire.
- Participants using a third-party agent for storage and processing of MasterCard account data must document such on their registration form so MasterCard can ensure that the agent is SDP compliant.
- Registration of PCI compliance is an annual requirement.

### Processing Requirements

- Cardholders must be notified of the convenience fee at the time of payment and be given the opportunity to opt out of the sale. In no case may the entity collecting payment be allowed to charge the fee without disclosure to the cardholder prior to finalizing payment.
- Payments and convenience fees must be processed under the correct and same merchant category code that is associated with one of the eligible merchant categories.
- A customer service number must be transmitted to your acquirer for both the payment and the convenience fee collected.

The convenience fee charged must not be advertised by the collecting entity or its third-party agent as an offset to the merchant discount rate.

### Best Practice

- To minimize customer service inquiries, it is strongly recommended that the convenience fee charged be processed as a separate and unique transaction and not be included in the total amount for the product or obligation paid for.

### How To Get Started

If you already accept MasterCard payment cards, contact your acquirer for more information about the program.

If you don’t currently accept MasterCard credit and debit cards, it’s easy to begin. Your first step is to obtain an “acquirer,” which is simply a financial institution that is a licensed MasterCard member providing services such as card payment processing, hardware and software, and monthly statements.

Speak to your current commercial financial institution about card processing services. Or register to receive referrals to acquirers that can help you begin accepting payment cards by visiting [www.mastercardmerchant.com](http://www.mastercardmerchant.com).

### To Learn More

To learn more about the MasterCard Convenience Fee Program, contact your acquirer or send an e-mail to [public\\_us\\_acceptance@mastercard.com](mailto:public_us_acceptance@mastercard.com).

**By Brian Weiner**

*Following is the viewpoint of the writer, head of interchange for Visa Canada.*

The article, *U of S student union supports tuition payment change* (SP, July 26) highlights a worrying trend that will further increase costs for students.

The University of Saskatchewan has announced that it will apply a transaction fee to tuition payments made with a credit card starting on Sept. 1. As a result of this decision, Visa will no longer be an accepted method of payment for tuition fees at the university.

The university's proposed "administration fee" is what Visa refers to as a surcharge — a practice whereby an additional fee is levied on purchasers when they pay with a particular credit or debit card. Surcharging is prohibited by Visa's operational rules.

While Visa supports the university's right to make independent business decisions, we oppose the use of surcharges. Visa believes that surcharges are harmful to cardholders, reduce the transparency of prices and unfairly allow merchants to shift a cost of doing business onto the backs of consumers. For example, a student who pays \$5,500 in tuition in the coming school year would be charged an additional \$55 in administration fees under the new approach.

Businesses, which include universities, choose to accept payment cards because they see the benefits — cards reduce paperwork, allow for easier bookkeeping and give administrators the peace of mind that comes with guaranteed payment. As is the case with other legitimate business expenses, these benefits come with an associated cost.

We have taken very specific actions

intended to help universities and other educational institutions to reduce their cost of accepting Visa payments, in order to offset any desire to surcharge students. Unfortunately, the U of S has chosen to pass on transaction fees to their students who choose a credit card as their method of payment.

Visa believes it is important that students, like all consumers, have the choice to pay with their preferred method of payment without being penalized with additional fees.

We continue to work with Canadian academic institutions and a multitude of businesses across the country to understand the negative impacts of surcharging, and despite the University of Saskatchewan's decision, we are confident that Visa will continue to be widely accepted across Canada and in more than 200 countries.

## LETTERS TO THE EDITOR

### Gov't critics ill-informed

In occasional glances at the letters to the editor, I'm amazed at the number of people who can find nothing good to say about the current government.

They are invariably short on solutions, though. The issue of Stephen Harper proroguing Parliament seems to be a favourite complaint, while they fail to admit that it has been used by every prime minister since Confederation.

If the opposition parties had formed a coalition it's quite clear Canada would have disintegrated. Why? With the Liberals effectively leaderless, NDP Leader Jack Layton in all probability would have become PM by virtue of promising every nutcase the moon, and by taxing Alberta and Saskatchewan to pay for his pipe dreams.

Michael Ignatieff would have been yammering nonsense in the background about how wonderful everything would be, with the Liberals effectively (in his imagination) holding the balance of power by virtue of their numbers. But the real power would have rested with the Bloc Québécois — a band of traitors

and Saskatchewan. The Maritime provinces would have little choice but to sue for admission to the United States.

Think about it the next time you think either the NDP or the Liberals value Canada for anything but the votes they so bitterly crave.

**Don Meister  
Saskatoon**

### Eating out can be healthy

Re: *Nutrition battle begins in kitchen* (SP, July 20). Dietitian Sara McPhee and the Prince Albert Grand Council health and social development office should be commended for the work they are doing to promote healthy lifestyles in northern Saskatchewan communities.

Making healthy choices at home and when eating out are an important step toward leading a long and healthy life.

It is important to recognize that the restaurant and food service industry has made significant changes to menu items in recent years to meet our customers' demands for healthier options and access to nutrition information.

Operators customize meals well to

restaurants offer healthy options on their menus.

The quick service industry, which is referenced in your article, has led the charge on offering meals with lower fat, calorie and sodium content.

So while McPhee and company recommend only eating out as a "treat," it should be noted that eating in restaurants can be a healthy option when appropriate choices are made.

Although restaurant meals still account for only a small percentage of Canadians' overall food intake (an average of one in 10 meals is consumed away from home), the food service industry recognizes its important role in ensuring Canadians can make informed choices when dining out.

**Courtney Hirota  
V-P, Manitoba-Saskatchewan  
Cdn. Restaurant and Foodservices Assn.**

### Blame greedy landlords

Re: *Tenants drive up rents* (SP, July 21). Tim Lalonde is kidding himself when he implies that tenants are the ones who are responsible for rent increases.

What a ridiculous notion. Tenants typically don't drive up rents. Greedy property owners do.

to mow the weeds. The dried out grass and weeds are a terrible fire hazard to the neighbourhood as citizens, of them smoking or engaged in less savory endeavours walk through these lots. Firefighters are called, as are this spring, to pick up entire boxes of hypodermic needles used for drugs.

do I have to live beside empty lots that are teeming with weeds and used by drug abusers and prostitutes? In winter, the snow is not shovelled and poses a risk to motorists and postal workers alike.

How that money talks, so let me ask a few very important questions:

1. Is the value of my home less than it should be, because I live near two empty lots, correct?

2. Is the value of my home less because the neighbourhood is considered to be on the decline, correct?

3. How does my property value affect my property

4. Does the value of property on the whole block get affected similarly?

5. Does this mean that all the homes within this area pay higher property taxes?

6. Can it be calculated how much revenue the city has lost over 25 years because of the two empty lots?

7. The city report says there are 142 vacant residential lots on Circle Drive. Could that mean hundreds of thousands of dollars or more in lost revenue? How long have these properties been vacant? What could our beautiful city have accomplished with this lost revenue? Do the math, you'll be astounded.

8. Does the lost revenue could be billed to these derelict property owners. Of course this won't really happen. After all, we're sure that nobody has ever heard of the government suing anyone for lost taxes (rolling my eyes).

9. It puts into perspective the report's suggestion that the levying of fees or disincentives to spur development could be used to penalize those who intend to develop vacant sites." In Coun. Lorie said that both the carrot and the stick were used with regard to derelict buildings and empty lots, the stick is: Forget the carrot and get a bigger stick.

## Waking up grey cells

*Waking up is a Vancouver Province editorial.*

As Shakespeare, as is clear from his play Twelfth Night, music was the food of love.

More than 400 years later, we're finding that it feeds our brains as well — at least if you learn to play music rather than simply listen to it.

Nextmedia News reporter Misty Harris noted last week that researchers at Northwestern University in Illinois have provided overwhelming evidence that musical training boosts the brain's power.

For 12 kids who've had 20 minutes a day of music lessons for a year, demonstrate changes in how their nervous system responds to sound," says Prof. Nina Kraus, lead author of a study published in the journal *Nature Reviews*

## UNIVERSITY NEWS

FOR IMMEDIATE RELEASE – July 23, 2010

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### University of Saskatchewan announces change in tuition payment options

As part of the University of Saskatchewan's (U of S) commitment to fiscal responsibility, the Board of Governors has approved a change in the options available to students for payment of tuition. The following changes take effect September 1, 2010:

- The U of S will continue to accept MasterCard for tuition payments.
- Payments of tuition with MasterCard will only be accepted online. In-person credit card payments will be discontinued.
- A one per cent administration fee will be charged on all tuition payments made with MasterCard.
- The U of S will no longer accept VISA cards for tuition payments. VISA does not allow universities to charge an administration fee.

"In our business practices, we strive to balance the desire to be client-oriented with the need to be responsible with public funds entrusted to our institution, while also being conscious of what comparator institutions are doing," said Vice-President Finance and Resources Richard Florizone. "With that in mind, we looked carefully at a number of options in regards to the rising cost of accepting credit cards for tuition payments. Most Canadian universities no longer accept credit cards for tuition payments, but, with the support of the student unions, we chose to retain the option for students by implementing an administration fee to help offset the cost."

In 2009-10, the U of S paid about \$900,000 to accept credit cards for the payment of tuition.

"The new administration fee will cover about half of this expense moving forward, which will allow us to redirect those savings into projects geared toward enhancing the student experience such as the university section of the Place Riel expansion which will house the Student Health and Counseling Centre," said Florizone.

The fee will only apply to tuition payments made by MasterCard. Other [payment options](#) include:

- Online or telephone banking
- Payment at a bank or ABM
- Payment by mail
- Wire transfer of funds
- In person by cash, cheque or debit card at Student Accounts, Administration Building

This change in payment methods applies to tuition payments only. The U of S will continue to accept both VISA and MasterCard with no administration fee for other payments including application fees, transcripts, donations and other activities such as bookstore, computer store, animal clinics and non-credit course fees through the Centre for Continuing and Distance Education.



**For more information, contact:**

Teri Rosenfelt, University Communications

University of Saskatchewan

Tel: 966-5659

Email: [teri.rosenfelt@usask.ca](mailto:teri.rosenfelt@usask.ca)

PAWS email/announcement July 22, 2010

**Subject: Change in tuition payment options**

U of S students, faculty and staff,

Effective September 1, 2010, the University of Saskatchewan (U of S) will make changes to the methods available for tuition payments:

- The U of S will continue to accept MasterCard for tuition payments.
- Payments of tuition with MasterCard will only be accepted online. In-person credit card payments will be discontinued.
- A one per cent administration fee will be charged on all tuition payments made with MasterCard.
- The U of S will no longer accept VISA cards for tuition payments. VISA does not allow universities to charge an administration fee.

In 2009-10, we paid about \$900,000 in fees to accept credit cards as a method of tuition payment. With the rising cost, we looked at a variety of options and consulted with students, including the student unions. Although many Canadian universities have eliminated credit cards as an option for tuition payments, we chose instead to implement an administration fee in order to retain the option of paying with MasterCard. This decision was made with the support of the student unions.

The administration fee will offset about half of the cost, with the other half paid by the university. We will use the savings for projects geared toward enhancing the student experience, such as the university expansion of Place Riel that will house the Student Health and Counselling Centre. The fee will cost a student paying \$5,000 in tuition \$50 for the academic year and will only apply to tuition payments made by MasterCard. For Information on other [payment options](#) for tuition and payment deadline dates [click here](#).

This change in payment options applies to tuition payments only. The U of S will continue to accept VISA and MasterCard with no administration fee for all other goods and services including bookstore, residence and for non-credit course fees through the Centre for Continuing and Distance Education.

For more information, please contact the Student Accounts Office at 966-4595 or [student\\_accounts@usask.ca](mailto:student_accounts@usask.ca)

Best regards,

Richard Florizone  
Vice-President Finance and Resources

## Payment of Tuition and Fees

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- [Student Account Balance](#)
- [Payment Deadline Dates](#)
- [Late Payment Fees](#)
- [Methods of Payment](#)
  - [Frequently Asked Questions](#)
- [Refunds](#)

### Student Account Balance

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Students can view their account balances through PAWS at any time. The PAWS Account Summary by Term is the official account balance and can be accessed as follows:

1. Log into [PAWS](#)
2. Select the **Academics** tab
3. Select the **Tuition and Fees** channel
4. Select **Account Summary by Term**
5. The balance owing

Statements are also mailed regularly to students with a valid mailing address; however, **payment is due regardless of whether or not a paper statement has been received.** In fact, depending on when students register and/or add classes, students may not receive a paper statement which is why it is important to view account balances through PAWS. This is especially important if you have made any class changes.

### Payment Deadline Dates

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Tuition and student fees are normally automatically charged to students at the time of registration. Once a student has registered they are the responsible for the payment of any assessed fees. Tuition and fees for classes spanning both terms will be split between the terms: half will be due on the Term 1 due date and half will be due on the Term 2 due date. The exception is health and dental fees, which, if assessed, are all owing in Term 1.

Fees are due upon assessment with the payment deadline dates shown below:

#### Spring/Summer

2011 Term 1 (Spring) - May 12, 2011

2011 Term 2 (Summer) - July 4, 2011

#### Fall/Winter

2011-12 Term 1 (Fall) - September 30, 2011

2011-12 Term 2 (Winter) - January 31, 2012

### Late Payment Fees

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Late Payment Fees equal to 1.5% of any past due balance are charged if the balance is not paid by the deadline date above. Amounts that remain past due will be continue to charged the Late Payment Fee at the end of each month (19.6% annual) until the balance is paid in full. Students who add a class after a payment deadline must pay their fees immediately for that class to avoid incurring a Late-Payment Fee.

**Non-payment of tuition and fees does not constitute an official withdrawal from the University - students must withdraw from classes through the Registration channel.**

### Account Holds

Failure to make payment by the stated deadline will also result in a hold on the student account and the withholding of future services by the University. In some cases non-payment may result in the termination of student status.

Withholding of future services means that students will not be able to access grades, will not receive transcripts, will not receive their parchments upon graduation and will not be eligible for re-registration until all overdue accounts have been cleared with the University. University services may also be withheld for overdue amounts owing to other University academic units or affiliated units.

In addition, accounts that remain past due will be sent to a collection agency.

## Methods of Payment

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- [Tuition Payment Options - Frequently Asked Questions](#)

### **IMPORTANT NOTICE**

**EFFECTIVE SEPTEMBER 1, 2010:**

- **MASTERCARD IS THE ONLY CREDIT CARD ACCEPTED FOR TUITION PAYMENTS; VISA IS NO LONGER ACCEPTED. A 1% ADMINISTRATION FEE IS CHARGED FOR ONLINE CREDIT CARD PAYMENTS.**
- **CREDIT CARD PAYMENTS MUST BE MADE ON-LINE; IN-PERSON PAYMENT BY CREDIT CARD IS NO LONGER ACCEPTED.**

### In-Person

The regular hours of business for Student Accounts are 08:30 to 16:30, Monday through Friday, except for holidays. Students can pay in-person using cash, cheque or debit card. VISA and MasterCard cheques are accepted.

**Effective September 2010, credit cards are only accepted online through PAWS and a 1% administration is charged.**

In order to avoid line-ups, students are strongly encouraged to make payment by online banking or telephone banking, at a financial institution or through PAWS using MasterCard.

### Online Banking or Telephone Banking

You can pay your tuition using online banking or telephone banking- simply add the University of Saskatchewan as a payee at any of the banks listed below. Payments are considered received by the University on the day the payment is processed by the bank.

**The account number for the University of Saskatchewan is your 8 digit student number.**

**Students who pay by online banking or telephone are automatically entered into a draw for a \$500.00 gift certificate.**

- Bank of Montreal
- Bank of Nova Scotia
- Canadian Imperial Bank of Commerce
- Royal Bank of Canada
- Toronto Dominion Bank
- HSBC Bank
- Credit Unions - check on your credit union online banking site for University of Saskatchewan

## Financial Institutions or Automated Banking Machine (ABM)

If you have received a statement in the mail, it can be paid at any financial institution or ABM in Canada. The detachable payment stub of the statement has micro-encoding that will allow it to be processed by the financial institution.

- Take the original statement along with a method of payment (cash, cheque, bank draft, money order) to the financial institution.
- Please note that financial institutions cannot accept payment by credit card without taking a cash advance which will result in interest charges on your credit card account.
- To pay at an ABM, include the stub portion along with the payment in the envelope provided by the ABM and follow the on-screen prompts. Payments will be considered to be received by the University on the day that payment is made at the financial institution or ABM **as indicated by the bank stamp on the back of the payment stub**. Payments **processed** by the financial institution on the payment due date will be treated as paid on time.

## Mail

Mail payment by cheque or money order. VISA and MasterCard cheques are accepted. **Please do not send cash in the mail.**

**Payments sent through the mail must be received by the payment deadline to avoid late payment charges.**

- Write 8 digit student number on the cheque
- Make cheque or money order payable to "University of Saskatchewan
- Mail to: University of Saskatchewan, Student Accounts, Room E40, 105 Administration Place, Saskatoon, SK., S7N 5A2

## Online Credit Card payment

**EFFECTIVE SEPTEMBER 1, 2010:**

- **MASTERCARD IS THE ONLY CREDIT CARD ACCEPTED FOR TUITION PAYMENTS; VISA IS NO LONGER ACCEPTED. A 1% ADMINISTRATION FEE IS CHARGED FOR ONLINE CREDIT CARD PAYMENTS.**
- **CREDIT CARD PAYMENTS MUST BE MADE ON-LINE; IN-PERSON PAYMENT BY CREDIT CARD IS NO LONGER ACCEPTED.**

To pay your account balance online with a MasterCard credit card:

1. Log into [PAWS](#)
2. Select the **Academics** tab
3. Select the **Tuition & Fees** channel
4. Select **Account Summary by Term**
5. Select **Pay Your Fees Now**

The University of Saskatchewan is committed to maintaining the accuracy, confidentiality and security of your personal and credit card information. For further details, please visit our [Privacy and Security Information page](#).

## Canada Student Loans

To receive University confirmation of enrolment for a student loan, students must present the approved loan form. Student loan forms cannot be signed prior to 30 days before the start date of classes. Students who do not register through [PAWS](#) must present the approved loan form along with proof of registration (i.e., the confirmation copy of their registration form).

It is University policy that total assessed tuition and fees for the loan period are deducted from student loans unless:

- Students are able to produce proof that fees have already been paid.
- Students have an out-of-province loan with a second loan disbursement in which case:
  - The amount deducted for Term 2 tuition and fees will be reduced by the amount of the second loan disbursement.

- Students must present a Student financial Assistance Branch Notice of Assessment. Without this document, tuition for the entire loan period will be deducted

## Scholarships

All scholarships administered through Student Accounts are first applied to total assessed tuition and student fees for the terms the student is registered in. If the applied scholarship results in a credit balance on the student's account, a refund will be issued. Students should allow 2-4 weeks from the payment deadline or the date the scholarship was applied, the credit balance to be processed.

Scholarships may be taxable as provided for in Section 56(1)(x) of the Income Tax Act. Consult the [Canada Revenue Agency Student Information](#) for further details.

Student Accounts and Treasury  
E40-105 Administration Place  
University of Saskatchewan  
Saskatoon SK S7N 5A2  
Tel: 306-966-4595

Email: [Student\\_accounts@usask.ca](mailto:Student_accounts@usask.ca)

Website: <http://www.usask.ca/fsd/students>

Hours: 8:30 AM - 4:30 PM, Monday to Friday

## Refunds

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Any credit resulting from dropping a class will be applied against any other tuition or fees owed to the University, either for the current term or the next subsequent term. If no monies are owed, students may request a refund through the [Request for Refund Form](#). If a student has negotiated a student loan, any credit will be returned to the loan provider so as to reduce the balance owing.

# Tuition Payment Options - Frequently Asked Questions

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## Tuition Option Changes

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As part of the University of Saskatchewan (U of S) commitment to fiscal responsibility, the Board of Governors has approved a change in the options available for payment of tuition.

**The following changes take effect September 1, 2010:**

- The U of S will continue to accept MasterCard for tuition payments.
- Payments of tuition with MasterCard will only be accepted online. In-person credit card payments will be discontinued.
- A one per cent administration fee will be charged on all tuition payments made with MasterCard.
- The U of S will no longer accept VISA cards for tuition payments. VISA does not allow universities to charge an administration fee.

## Some questions we are asked...

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- [Why is the university charging a fee for tuition payments made by credit card?](#)
- [Are other universities doing the same thing?](#)
- [What are my payment options?](#)
- [Is it legal to charge an administration or convenience fee for credit card transactions?](#)
- [How much will the fee cost a student?](#)
- [How does the university set tuition and fees?](#)
- [I have a daily withdrawal limit on my debit card. What do I do?](#)
- [I want to pay by online banking but my bank or credit union doesn't list the University of Saskatchewan as a payee. What do I do?](#)
- [I am an international student and I don't have a Canadian bank account. What are my payment options?](#)
- [Were students consulted in this decision?](#)
- [Can I still use my credit card for textbooks and other activities on campus?](#)

### Why is the university charging a fee for tuition payments made by credit card?

In an ongoing effort to manage the public funds entrusted to us as effectively as possible, we examined a variety of options to address the rising costs associated with accepting credit cards for tuition payments. In 2009-2010, about 40 per cent of tuition payments were made by credit card with costs to the U of S of approximately \$900,000.

### Are other universities doing the same thing?

Most universities in Canada do not accept credit cards for tuition payments but, in consultation with the student unions, we chose to implement an administration fee rather than eliminate the option entirely.

In the past couple of years several universities, that previously accepted credit cards for tuition, including UBC, University of Calgary, University of Alberta, Concordia and Dalhousie, discontinued this payment method due to the high cost involved.

Universities that have never accepted credit cards for tuition include University of Toronto, McGill, McMaster, Queen's, Lethbridge and Victoria.

### What are my payment options?

There are several other [payment options](#) including:

- online banking, which is available 24 hours a day, seven days a week,
- paying at your bank branch by using the payment stub on your statement,
- wire transfer of funds,

- by mail using cheques or money orders,
- in person\* using cash, cheques, money orders or debit cards,
- with financial aid (Canada Student Loans, scholarships, third-party sponsorships), and
- [instalment plan](#) for graduate students.

\*You cannot use a credit card to pay tuition in person. However, you can use a VISA or MasterCard cheque as these are considered cheques by the credit card companies.

A U of S administration fee is not charged to accept VISA and MasterCard cheques. However, students should be aware that credit card companies usually treat their cheques as cash advances and may charge you interest from the date used.

[Fee payment deadlines](#) will remain the same.

### **Is it legal to charge an administration or convenience fee for credit card transactions?**

Yes.

### **How much will the fee cost a student?**

The administration fee is one per cent of the cost of tuition and fees.

An average undergraduate arts and science student carrying a full course load will pay about \$50 (\$25 per term).

An average graduate student will pay about \$30 (\$10 in each of the three terms).

### **How does the university set tuition and fees?**

The guiding principles for the University of Saskatchewan tuition strategy include accessibility, affordability, comparability to other institutions and ensuring an appropriately resourced university. The university keeps increases to a minimum by seeking efficiencies and uses tuition and fee revenue to fund specific enhancements in programs, student services and the student experience.

### **I have a daily withdrawal limit on my debit card. What do I do?**

Students are advised to check with their financial institution before planning to pay tuition with a debit card.

Online banking payments normally do not have a daily limit which may make online banking an easier payment method to use.

### **I want to pay by online banking but my bank or credit union doesn't list the University of Saskatchewan as a payee. What do I do?**

If your bank or credit union doesn't show the University of Saskatchewan as a payee, please let us know by calling (306) 966-4595 or emailing [student\\_accounts@usask.ca](mailto:student_accounts@usask.ca) and we will gladly see that we become a payee with your financial institution.

### **I am an international student and I don't have a Canadian bank account. What are my payment options?**

International students who do not have a Canadian bank account may use wire transfers, money orders or bank certified cheques for payment of tuition. A new international wire transfer service will be implemented in the fall of 2010.

### **Were students consulted in this decision?**

Yes. We took feedback from students via a survey in fall 2009 and consulted with both the University of Saskatchewan Students' Union (USSU) and the Graduate Students' Association (GSA).

### **Can I still use my credit card for textbooks and other locations on campus?**

Credit cards, including both VISA and MasterCard, will still be accepted without an administration fee at many other campus locations such as the bookstore, residence, veterinary clinics and for non-credit courses offered by the Centre for Continuing and Distance Education. Application fees and transcript fees can also be paid by credit card.





**Please note an administration fee will automatically be added to your payment. Please confirm the total payment below.**

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Payment Amount	Administration Fee	Total Payment
\$10.00	\$0.10	\$10.10

Do you authorize the noted 1% administration fee to be added to your payment request?

Yes, continue to payment page

No, cancel payment

Other payment options

PUBLIC

CT-2010-010

**THE COMPETITION TRIBUNAL**

**IN THE MATTER OF** the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

**AND IN THE MATTER OF** an application by the Commissioner of Competition pursuant to section 76 of the *Competition Act*;

**AND IN THE MATTER OF** certain agreements or arrangements implemented or enforced by Visa Canada Corporation and MasterCard International Incorporated.

**BETWEEN:**

**THE COMMISSIONER OF COMPETITION**

Applicant

- and -

**VISA CANADA CORPORATION and  
MASTERCARD INTERNATIONAL INCORPORATED**

Respondents

- and -

**THE TORONTO-DOMINION BANK  
THE CANADIAN BANKERS ASSOCIATION**

Intervenors

**WITNESS STATEMENT OF MARION VAN IMPE  
(MARCH 6, 2012)**

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