

## Call for the Development of a Consumer Protection Policy With Respect to Debit Cards

**WHEREAS**, the banking and business communities share a standard set of practices within the State of Washington; and

**WHEREAS**, members of the banking and business communities are dependant upon customers to facilitate trade; and

**WHEREAS**, according to the Federal Reserve, since their introduction in 1997, debit cards have increased in use by 24% (as opposed to credit cards increasing by 7% and checking decreasing by 4%); and

**WHEREAS**, individual merchants' policies are responsible for placing "holds" on debit card transactions; and

**WHEREAS**, these holds on debit card transactions are not generally disclosed at the point of purchase; and

**WHEREAS**, both the banks and the debit cards holders are at risk for non verifiable "holds" placed on accounts for two or three days; and

**WHEREAS**, the debit card holders often become victims to overdraft charges from their banks; and

**WHEREAS**, the non verifiable transactions may then take weeks to correct because a debit card transaction may involve a minimum of five parties (purchaser, retailer, payment processor, debit card network affiliated with a bank or credit union, and the actual bank or credit union):

**THEREFORE BE IT RESOLVED**, that the development of a consumer protection policy be referred to the appropriate legislative committee for consideration in the 2006 legislative session.

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Submitted to the WSDCC for consideration at its April 2, 2005 meeting in Pasco by the Asotin County Democrats (3/23/05)

Not considered by the WSDCC Resolutions Committee at its April 2, 2005 meeting in Pasco.

42 Referred to the WSDCC Resolutions Committee by the WSDCC at its April 2, 2005  
43 meeting in Pasco.

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45 Referred to the WSDCC with a recommendation of "Pass" by the Resolutions  
46 Committee at its September 17, 2005 meeting in Everett.

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48 Passed by the WSDCC at its September 17, 2005 meeting in Everett.