

Case study: Response to Visa debit interchange cap removal

Brief

- Optima were engaged by a **large UK retail bank** to provide a **review and assessment** of the impact of the interchange cap removal on the clients card portfolio.
- We were asked to provide a market scan, an **independent review** of the clients initial ideas for mitigation, as well as recommend new mitigation ideas.

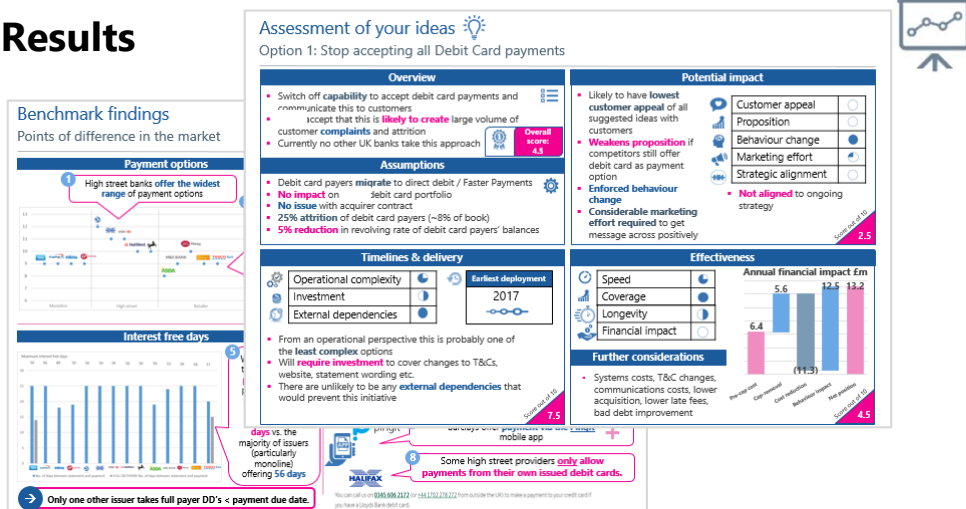


Approach

- We utilised our **unique network and proprietary research database** to assemble the market scan.
- Our team used their **expertise and data** from benchmarking activities, together with **best-practice modelling** to validate and rank initial ideas as well as develop new ideas for mitigation.
- Our **deep knowledge of the market and insight from across Europe** helped us to quickly compile new options for mitigation which were underpinned by **robust sizing methodology and feasibility** or dependencies on technical or regulatory change.



Results



Impact

- From our analysis and assessment, the client was able to **mitigate the entire impact** of the interchange cap removal (>£5m).
- Additional, **opportunities for profit optimisation** were proposed.

