PRESS RELEASE

Visa and Plaid Abandon Merger After Antitrust Division's Suit to Block

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For Immediate Release

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Decision to Terminate Deal Preserves Competition

The Department of Justice announced today that Visa Inc. and Plaid Inc. have abandoned their planned $5.3 billion merger.

The department filed a civil antitrust lawsuit on Nov. 5, 2020, to stop the merger, alleging that Visa is a monopolist in online debit, charging consumers and merchants billions of dollars in fees each year to process online payments. Plaid, a successful fintech firm, is developing a payments platform that would challenge Visa's monopoly. According to the complaint, the transaction would have enabled Visa to eliminate this competitive threat to its online debit business before Plaid had a chance to succeed, thereby enhancing or maintaining its monopoly. The case was scheduled for trial in the U.S. District Court for the Northern District of California on June 28, 2021. As a result of Visa and Plaid's decision to terminate their merger agreement, the United States has filed a Joint Stipulation of Dismissal.

"In a victory for American consumers and small businesses, Visa has abandoned its efforts to acquire an innovative and nascent competitor," said Assistant Attorney General Makan Delrahim of the Justice Department's Antitrust Division. "American consumers and business owners rely on the internet to buy and sell goods and services, and Visa – which has immense power in online debit in the United States – has extracted billions of dollars from those transactions. Now that Visa has abandoned its anticompetitive merger, Plaid and other future fintech innovators are free to develop potential alternatives to Visa's online debit services. With more competition, consumers can expect lower prices and better services."

Assistant Attorney General Delrahim continued, "The department is grateful for the team of dedicated civil servants, lawyers and economists, who carefully reviewed this merger and pursued the litigation, ultimately building a case that the merger would extinguish a nascent competitor, further entrench Visa's dominance in the online debit market, and harm consumers. Their diligent efforts to prosecute this case convinced the parties to abandon the deal rather than face us in court. We wish both companies well as they innovate and work to provide their products to American consumers."

Visa Inc. is a Delaware corporation headquartered in Foster City, California. Visa is a global payments company that operates the largest debit network in the United States. Visa's 2019 revenues were approximately $23 billion.

Plaid Inc. is a Delaware corporation headquartered in San Francisco, California. Plaid is a financial services company that operates the leading financial data aggregation platform in the United States. In 2019, Plaid earned approximately $100 million in revenues.

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