Card Payments at the Point of Sale in Switzerland (1985-2015): Private or public infrastructure for electronic payments?

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With the emergence of new payment schemes like Bitcoin, CBDCs, or «social media money» (Swartz 2022) it is necessary to better understand the emergence of past payment technologies -- especially their positioning at the intersection of private and public infrastructure.

In this article, I want to look at the technology, the politics, and the social relations of debit and credit card payments in Switzerland. I will discuss the introduction of EFTPOS-technology (Electronic Funds Transfer at the Point-Of-Sale) in Switzerland from 1985 until 2015. I distinguish three phases: 1) experimentation, when retailers, banks, and PTT (federal Post-, Telephone-, and Telegraphy-provider) tried to establish their own closed systems, 2) a market for terminals, when participants agreed on the necessity of an open system and common standards, and 3) regulating markets for payment, when liberalization in finance and telecommunications coincided with a more proactive but also instrumentalized Competition Commission (COMCO) trying to make electronic payment more market-like.

Following Guseva (2008) and Rona-Tas/Guseva (2014), I won't focus on the maintenance of payment markets, but on emergence. As they highlight, emerging markets for payment cards must solve two problems: the problem of two-sided markets and the problem of standardization. Both these problems had to be solved for a Swiss market for payment cards as well.
However, concerning cards in Switzerland »the problem of two-sided markets« is not the primary problem to solve. So the question is not only: how do they get this market to work but how do they get electronic card-payments to work in a market-like manner at all. Consequently, participants engage in »marketization« activities (Çalışkan/Callon 2009, 2010): to marketize electronic payments, different market-participants (e.g. »Issuers«, »acquirers«, »processors«) had to be created and the terms of competition and cooperation had to be clarified.

As my research shows, powerful retailers managed to curtail the banks and the payment schemes efforts to monopolize card payments at the point-of-sale. The retailers efforts to make electronic payment more market-like (with the help of COMCO) resulted in an »all cards at all terminals«-EFTPOS-system that -- while market-like -- acted as a quasi public infrastructure, instead of profit and rent generator for banks (Maurer 2012).

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