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# Purchases in gun shops will now be a separate Visa category

Payment processor adopts new merchant code

By THE ASSOCIATED PRESS |

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NEW YORK (AP) — Visa Inc. said Saturday that it plans to start separately categorizing sales at gun shops.

It's a major win for gun control advocates who say it will help better track suspicious sales that could be a prelude to a mass shooting. But gun rights advocates have argued that the step would unfairly segregate legal gun sales when most sales do not lead to mass shootings.

Visa said it would adopt the International Organization for Standardization's new merchant code for gun sales, which was announced on Friday. Until Friday, gun store sales were considered "general merchandise."

"Following ISO's decision to establish a new merchant category code, Visa will proceed with next steps, while ensuring we protect all legal commerce on the Visa network in accordance with our long-standing rules," the payment processor said in a statement.

Visa's adoption is significant as the largest payment network, and will likely add pressure for Mastercard and American Express to adopt the code as well.

Gun control advocates had gotten significant wins on this front in recent weeks. New York City officials and pension funds had pressured the ISO and banks to adopt this code.

Two of the country's largest public pension funds, in California and New York, are pressing the country's largest credit card firms to establish sales codes specifically for firearm-related sales that could flag suspicious purchases or more easily trace how guns and ammo are sold.

Merchant Category Codes now exist for almost every kind of purchase, including those made at supermarkets, clothing stores, coffee shops and many other retailers.

"When you buy an airline ticket or pay for your groceries, your credit card company has a special code for those retailers. It's just common sense that we have the same policies in place for gun and ammunition stores," said New York City Mayor Eric Adams, a former police captain who blames the proliferation of guns for his city's deadly violence.

The city's comptroller, Brad Lander, said it made moral and financial sense as a tool to push back against gun violence.

"Unfortunately, the credit card companies have failed to support this simple, practical, potentially lifesaving tool. The time has come for them to do so," Lander said recently, before Visa's announcement.

Lander is a trustee of the New York City Employees' Retirement System, Teachers' Retirement System and Board of Education Retirement System — which together own 667,200 shares in American Express valued at approximately \$92.49 million; 1.1 million shares in MasterCard valued at approximately \$347.59 million; and 1.85 million shares in Visa valued at approximately \$363.86 million.

In letters to the companies, the New York pensions funds, joined by the California State Teachers' Retirement System, sought support for such a move, saying the companies have a responsibility to prohibit the use of their networks for what public officials deemed illegal activity.

"Failing to do so can result in regulatory, reputational, and litigation risks that may harm long-term shareholder value," the letters



The California teacher's fund, the second largest pension fund in the country, has long taken aim on the gun industry. It has divested its holdings from gun manufacturers and has sought to persuade some retailers from selling guns.

Four years ago, the teacher's fund made guns a key initiative. It called for background checks and called on retailers "monitor irregularities at the point of sale, to record all firearm sales, to audit firearms inventory on a regular basis, and to proactively assist law enforcement."

The pension funds argue that creating a merchant category code for standalone firearm and ammunition stores could aid in the battle against gun violence.

In letters to the credit card companies, a pattern of purchases could flag suspicious activity.

Officials said that a week before the mass shooting at the Pulse Nightclub in Orlando, Florida, where 49 people died after a shooter opened fire in 2016, the assailant used credit cards to purchase more than \$26,000 worth of guns and ammunition, including purchases at a stand-alone gun retailer.

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