



Eftpos regulation may remain

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The Payments System Board dropped a pretty big hint yesterday that regulation of Eftpos interchange fees, and access, may remain in place.

In a media release the PSB summarised its latest views following a meeting last Friday.

Eftpos interchange is subject to a small cap of five cents introduced in November 2006. The regulation is due for review at the end of this year.

For more than a year the PSB (part of the Reserve Bank of Australia) has encouraged the industry to map out an investment program for Eftpos, to make it competitive with scheme debit cards from Visa and MasterCard. One aim of the PSB is was to make Eftpos cards issued by banks useable for internet payments. A second aim was more transparent scheme fees. And a third aim was to prevent Eftpos from fading out and closing up as happened with the Bankcard credit card earlier this decade.

While an Eftpos scheme has been set up by banks and the scheme is searching for a chief executive, the PSB in the media release said it will be "looking for evidence that the scheme has a business plan for future development which it is actively pursuing, including arrangements for promotion of the scheme and reform of access."

With respect to developments in online payments, the BSP "noted that while there are some possibilities being considered in the industry, there have been no concrete steps in this area and such a service is unlikely to be in place by August 2009."

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