



Retailers warned of rising Eftpos fees
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The new Eftpos payments scheme is confident that a new, though still confidential, interchange fee structure will refresh its competitiveness as a payment method for retailers – big and small – as well as for consumers.

In the context of a public relations exercise yesterday, on rising Eftpos transaction volumes in 2010, Eftpos Payments Australia addressed an element of the debate on payments – this was canvassed at recent Senate committee hearings.

“Contrary to some inaccurate claims made recently, we are committed to ensuring that any changes to the Eftpos proposition for merchants and consumers are carefully calibrated so that Eftpos remains the most competitive debit payment system available to Australian retailers,” EPAL’s managing director, Bruce Mansfield, said in a statement.

Jost Stollman, chief executive of Tyro Payments, however, is following up the criticism he made of EPAL at last month’s Senate hearing, in Sydney, and mailing personal letters to retailers and retail associations this week. These will reiterate his criticisms of the presumed shift in pricing on Eftpos interchange.

“The major banks and the biggest retailers are in negotiations with Eftpos Payments Australia Limited to reverse and increase the Eftpos interchange fee from the current merchant-friendly average rate of minus four to four cents, [and] possibly up to plus 12 cents,” Stollman wrote.

“This increase of the average cost per Eftpos transaction by up to 17 cents would pass to the card-issuing banks.”

Yesterday, Mansfield said that “no decision has yet been made on the final shape of the new interchange fees for Eftpos. We will be making an announcement on this in about one month.”

Stollman claims that the changes “will cost the Australian merchant community in the order of a quarter of a billion dollars in additional transaction fees, on two billion Eftpos debit card transactions per year.”

The new fees are designed to improve the competitiveness and cost-effectiveness of the Eftpos product, said Mansfield.

“The main competitor is always cash,” said Mansfield. “But, yes, scheme debit is an important competitor for us.

“We want people to push the cheque or savings button.”

Mansfield made the same point about pushing the cheque or savings button yesterday. There is evidently some effort being made by the Eftpos company to steer users of scheme debit cards to overlook the advice of their banks to push the credit button at an Eftpos terminal when using those cards. This results in different fee flows between the issuing bank and the merchant’s bank.

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