

Courier Mail

Listen up, it's your cash on the line

- Jason Bryce
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COST OF CASH: It may soon be impossible to gain access to your own money or spend it without paying a fee. Picture: Derek Moore
 Source: The Sunday Mail (Qld)

BANKS are warning they may have to hit their customers' with ATM withdrawal fees if Federal Parliament this week passes legislation introduced by the Greens to impose a cap on cash machine charges.

Retailers may also soon start charging customers for Eftpos purchases if a proposed reversal in Eftpos fees is confirmed, in a separate development also due this week.

The dual hit will make it difficult - if not impossible - for bank account holders to access or use their own cash without paying for it.

Australian Bankers Association chief executive Steven Munchenberg labelled the Greens policy "short-sighted".

"(It) means that bank customers may pay fees where typically none are paid now."

He said if the \$2 ATM fee were reduced, ATMs outside metropolitan areas, which had fewer customers, would become uncommercial.

A Choice/Australia Institute Report released last week found that third-party ATM fees cost Australians \$753 million a year.

But the Greens' Adam Bandt says ATM fees are almost 100 per cent profit and can't be justified. "The amount of money Australian consumers pay in ATM fees is shocking and needs to stop," he said.

However, Tim Wildash, the chief executive of Customers, Australia's largest ATM fleet, says the current rules have saved Australians \$120 million.

"Two-thirds of ATM transactions are free," he said.

"People are making informed choices."

Customers introduced fee increases late last year and Mr Wildash says he will not increase ATM fees above \$2.50.

"If you see one of our machines charging more, then it is being hired out to a concert promoter or someone who is setting their own rates."

Meanwhile, EFTPOS Australia Payments Limited chief executive Bruce Mansfield says the company is considering whether to change a 30-year tradition and make Eftpos fees flow from the merchant to the cardholder's bank.

But Jost Stollmann, the chief executive of Eftpos payments company Tyro, warns this is a move that will end up costing consumers big time.

"If EPAL reverses and increases the interchange fee, and the banks pass those increases on to the merchants, then it will hit small businesses," he said.

"They could eventually pass the costs on to customers by way of higher charges or withdraw from offering Eftpos altogether for smaller transactions."

Mr Stollmann says many small businesses may choose not to offer Eftpos at all.

He says he expects the EPAL board to increase the current 5c per transaction Eftpos fee by 12c - a rise of 140 per cent for the merchant's banks.

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