



Media Release 8 March 2011

## Tyro's fears confirmed - EPAL increases EFTPOS banking fees for Australian small business.

EFTPOS Australia Payments Limited (EPAL) announced today EFTPOS interchange fee increases. For the nation's leading independent EFTPOS payments provider Tyro the increase is unjustifiable and untimely in today's banking and retail environment.

1 October 2011, Australia's 1.2 million small businesses should expect banks to raise their merchant service fee by an average of 11 cents.

	Interchange Fee	Network Fee**	Fee Increase
Current EFTPOS	minus \$0.04-0.05*	\$0.00	
Current EFTPOS cash-out	minus \$0.20*	\$0.00	
Future EFTPOS (above \$15)	\$0.05	\$0.02	
<b>Fee increase</b>	<b>\$0.09 - \$0.10</b>	<b>\$0.02</b>	<b>\$0.11 - \$0.12</b>
Future EFTPOS (below \$15, Medicare Easyclaim, charity)	\$0.00	\$0.02	
<b>Fee increase</b>	<b>\$0.04 - \$0.05</b>	<b>\$0.02</b>	<b>\$0.06 - \$0.07</b>
Future EFTPOS cash-out	minus \$0.15*	\$0.02	
<b>Fee increase</b>	<b>\$0.05</b>	<b>\$0.02</b>	<b>\$0.07</b>

\*minus means paid from issuing bank to acquiring bank, others paid from acquiring bank to issuing bank

\*\* 1 cent charged to the cardholder bank, 1 cent to the acquiring bank

"The increase is proof that the SME community lacks representation. Every one cent on 2 billion EFTPOS transactions p.a. is an additional charge of \$20 million."

"The EPAL external Board consists of representatives for the four banks (CBA, NAB, ANZ, Bendigo Adelaide Bank), as well as CUSCAL, Woolworths and Coles along with three independent directors. Other retailers are not represented. No announcement was made as to the current Woolworths and Coles bilateral arrangements (minus 4-5 cents interchange fee), which are allowed to continue under the new regulatory regime."

"The EFTPOS fee increase does nothing to help Australia's debit payment system to compete. It makes EFTPOS more expensive and reduces the cost advantages versus the more expensive global networks. It is the acquirers and merchants who have to invest into making EFTPOS accessible everywhere (including online), protecting the cardholder data and offering an integrated seamless EFTPOS payment experience. Now the merchants face higher costs and cardholders too. There might be less EFTPOS acceptance."

"Tyro will continue to make the community aware of the banks' appetite for increased fees," says Jost Stollmann, Tyro CEO. "We will continue to push for every day and earlier settlement into merchants' accounts. And every time a major bank lets its merchants down with an EFTPOS failure, we will make the case for overdue innovation and investment into the Australian payment space."

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### **About Tyro Payments Limited**

Tyro is Australia's EFTPOS innovation institution and is the first new entrant into the EFTPOS business in over 14 years. Tyro holds an authority under the Banking Act to carry on a banking business as a Specialist Credit Card Institution (SCCI) and operates under the supervision of the Australian Prudential Regulation Authority (APRA). Under this authority Tyro provides credit, debit, EFTPOS, gift and loyalty card acquiring and Medicare claiming and rebating services, but may not take money on deposit.

Tyro's transparent payment solutions are uniquely merchant focused, enabling reduced fees, greater productivity, better cost management and a superior payment experience for consumers.

Tyro is a wholly Australian-owned company with no external venture capital. The company has been fully funded by the Executives, Directors, independent and strategic investors.

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