

# Transaction fee change may slug shoppers

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**SHOPPERS could be sluggish more for everything from fruit and vegetables to fashion due to a rise in Eftpos transaction fees, consumer group Choice has warned.**

From October, Eftpos Payments Australia will move the 5c interchange fee from consumers' financial institutions to the banks of retailers, prompting concern from small business that the cost would then be passed on to them.

Under the new arrangement, the 5c fee will be charged to the retailer's financial institution for every transaction over \$15. Transactions relating to charities and Medicare Easyclaim, as well as purchases at supermarket chains Woolworths and Coles, would be exempt from the fee.

Choice spokeswoman Ingrid Just told The Australian if banks chose to pass the new fee on to retailers, the cost could then trickle down to consumers.

But she said Eftpos would still be a cost-effective payment method when compared to credit cards.

"To further develop the Eftpos system there needs to be a way of paying for that added security and innovation for the system," Ms Just said.

"Some retailers, potentially the small retailers who are less able to absorb the cost, may pass that fee on to the consumer, but we won't know until this comes into play.

"Some retailers may decide to wear the cost because Eftpos is an important payment method for their customer base."

Peter Strong, executive director of the Council of Small Business Organisations of Australia, said many businesses were struggling amid already tough retail conditions and would not be able to absorb the potential new fee, so the cost would be passed on to consumers.

Jost Stollmann, the chief executive of ePal rival Tyro Payments, has described the move as "unjust and an untimely burden" on merchants and consumers, who contribute to two billion Eftpos transactions each year.

"Small businesses and acquirers (retailers' banks) have invested significantly in deploying 700,000 Eftpos terminals across Australia, for the convenience of customers, but it will be the banks who stand to make a lot of money from these changes," Mr Stollmann said.

"A strong Eftpos system requires investment by acquirers and merchants. It does not need banks to stop paying and start charging by levying a fee on Eftpos access."

NSW Fair Trading Minister Anthony Roberts said Westpac had told his department it would increase Eftpos payment fees for some retailers.

"I've brought this matter to Treasurer (Wayne) Swan's attention because the Gillard government has proven it does not appreciate the pressure that many NSW consumers are under," Mr Roberts said.