

## Shoppers could pay more under EFTPOS change

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**Australian consumers are being warned they could pay more every time they use their bank cards because of a rise in EFTPOS transaction fees.**

MAP: [Australia](#)

Under changes announced by Payments Australia Limited, from October retailers' banks will have to pay a five-cent fee whenever a customer uses the electronic payments system.

Under the current system, the customer's bank pays five cents to the retailer's bank for each transaction.

Choice spokeswoman Ingrid Just says currently businesses do not have to pay anything when an EFTPOS transaction goes through.

"At the moment it's the consumer's bank that pays the EFTPOS fee, that may change and become the retailer's bank that pays the fee for processing EFTPOS," she said.

But she says it is too early to gauge what impact any changes will have on consumers.

"At the moment we don't know if retailers' banks will pass on the 5 cent fee for transactions over \$15 to the retailer, and then if they do it's up to the retailer as to whether they decide to absorb the cost or raise the price of goods to cover that cost," she said.

"I think at the moment we're probably jumping the gun in terms of impact of consumers, EFTPOS has said that individual retailers may be able to negotiate with the banks in terms of that fee itself."

And she says even if the charges were passed on, EFTPOS would still remain far cheaper than alternative electronic transaction methods.

"I think at the end of the day we have to remember that EFTPOS still remains a cost-effective alternative to credit cards," she said.

"A 5 cent fee for transactions over \$15.00 is very small in comparison to the cost of using a credit card.

"The EFTPOS card has always been the consumers' card, because it doesn't come with the same fees and charges that many of the credit cards come with."

Jost Stollman from rival EFTPOS provider Tyro says it is inevitable banks will pass on the cost under the new model.

"The banks are going to be better off if they decide for the fee increase. Merchants and consumers risk that these costs will be passed on and they're quite significant because EFTPOS is the favourite payment means for Australian consumers," he said

"Retailers are doing it very tough. It's not the time to raise fees. Retailers will have to face the increased cost or they will have to consider to pass it through to the consumers."

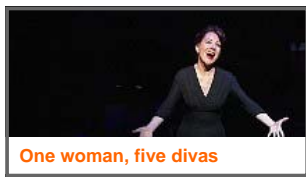
However, the company that runs EFTPOS, ePAL, says there should be no new charges to customers under the changed fee structure.

"The changes to EFTPOS include an incentive for retailers to accept EFTPOS for purchases under \$15, potentially making minimum EFTPOS amounts a thing of the past, and will not result in any increase in consumer bank fees," said ePAL managing director Bruce Mansfield.

The company says the changes affect the fees banks charge each other, and do not involve direct charges to customers or retailers, although some financial institutions could choose to pass the fees onto retailers.

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