

## EFTPOS fee changes require detailed Federal scrutiny

9 August 2011

NSW Fair Trading Minister Anthony Roberts today called on the Federal Government to protect consumers from increasing fees for EFTPOS transactions.

Mr Roberts has written to the Federal Treasurer, Wayne Swan after receiving advice from Westpac that the bank would increase fees for accepting EFTPOS payments from some merchant customers.

"EFTPOS has always been the low-cost alternative to more expensive debit payments systems.

"It is important that the new fee structure being implemented in October this year is transparent and does not add to cost of living pressures for NSW consumers.

"I am particularly concerned that changes to the fee structure will lead to an increase in transaction costs for retailers. Retailers, especially small business owners, will feel pressure to pass these costs onto consumers," the Minister said.

Mr Roberts said that the new EFTPOS interchange fees appeared modest but he reminded the Federal Treasurer that after the RBA abolished the „no surcharge“ rule on credit cards in 2003, the result was increased costs for some consumers.

"NSW Fair Trading commissioned research into credit card surcharges that showed when the Reserve Bank reforms in 2003 allowed credit card charges to apply, the initial up take by traders was low and the rate itself was generally low at around one per cent. Today surcharges can now be as high as 10 per cent or more.

"In the case of credit card fees the end result was that charges increased significantly over time, without the extra costs being clearly explained.

"I've brought this matter to Treasurer Swan's attention because the Gillard Government has proven it does not appreciate the pressure that many NSW consumers are under.

"After a four year barrage of new federal taxes and a carbon tax on the way, the last thing consumers need is to be charged when they spend their own money," the Minister said.

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