



Pay your way into Eftpos

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The Payments System Board will informally review aspects of the regulation of the Eftpos scheme, the board announced in a media release on Friday.

One point of the review will be the “no discrimination” provisions of the access regime for Eftpos introduced in late 2006, which may have been overtaken by the reshaping of interchange fees due to come into affect next month.

This stipulates that existing issuers of Eftpos cards must pay any new bank entering the Eftpos system an interchange fee no less than the fee payable by that issuer to an existing acquirer. This also applies to any merchant that self-acquires transactions.

Conversely, existing acquirers of Eftpos transactions must not charge any new entrant a higher interchange fee than that charged to existing customers.

The five-year old access regime has had only limited relevance to the payments landscape in Australia, with Woolworths being the only new entrant, as a self-acquirer, in that time.

The main probable benefit of the access regime to Woolworths was the access charge for setting up direct connections with major banks and some other switches being spelt out. In 2006, this charge was set at \$78,000. The PSB lifted this charge to \$88,000 last year.

The Reserve Bank of Australia said that regulations relating to Eftpos interchange fees will not be considered as part of the review.

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