

Aldi disputes claim eftpos fees won't hurt users

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Plastic rules ... eftpos is popular but Aldi is unhappy with the way transaction fees are charged. Photo: Michele Mossop

ALDI has gone to the Federal Court to stop the bulk of the banking sector - and Aldi's supermarket rivals Coles and Woolworths - from making what it claims are misleading and deceptive statements about the effect on consumers and merchants of new eftpos fee changes.

Aldi's formal action follows increasing disquiet from small retailers about the new interchange fees due to come into effect on October 1. The business that manages the eftpos payment system, eftpos Payments Australia Ltd, known as ePAL, is a mutual partnership of banks and Coles and Woolworths.

The Reserve Bank said there were an average 217 million eftpos transactions conducted a month this year (up from an average 184.6 million a month last year).

"The effect of the proposed changes is that all retailers, excluding Coles and Woolworths (who, as members of the respondent, are able to take advantage of transitional arrangements and benefit from the continuation of existing bilateral arrangements), may incur direct charges depending on the terms of their arrangements with ... banks, some of whom have declared their intention to pass certain charges to retailers, and consumers may incur charges if these ... are then passed on by retailers," Aldi claimed in court documents.

In addition to the new fees arrangements between retailers' banks and card issuers, and the new 1¢ fee to ePAL, Aldi said in its claim that Westpac had notified merchants of an extra 10¢ a transaction increase from October 1, and NAB would increase fees by 2.5¢ a transaction.

It alleged ePAL had issued misleading media releases in August and September, and in an opinion piece by ePAL's managing director, Bruce Mansfield, which stated the changes "affected financial institutions on either side of eftpos transaction and did not involve direct charges to either consumers or retailers". Aldi has demanded that ePAL publish a corrective statement.

Late yesterday, ePAL issued a statement that it disputed the basis of Aldi's case and would defend its position "vigorously". "Planned changes to interchange fees are an important measure to strengthen the long-term competitive position of eftpos and its ability to continue to provide the payment method of choice for all Australian merchants and consumers," ePAL said.