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Payment industry warned to better infrastructure or face intervention

An “unacceptable number” of payment system outages over the past 12 months has led the Reserve Bank of Australia’s (RBA) payment arm to warn the industry to boost innovation and stability or face regulatory intervention.

The RBA’s Payment System Board has been discussing the high level of payment outages with the Australian Prudential Regulation Authority (APRA) and is looking at whether a regulatory response is needed to force the industry into action.

Examples of such high-profile payment outages include the [National Australia Bank glitch in November 2010](#) and April this year, which saw issues in the overnight processing of direct entry payments as well as the Commonwealth Bank failure in March which saw its internet banking site, POS and ATM services interrupted.

According to [Tyro Payments](#) CEO Josh Stollmann, these high-profile failures demonstrate the need for the industry to address its issues urgently, or face further regulation by the RBA and APRA.

[The Australian Payments system handles \\$400 billion worth of transactions each year](#), and much be robust enough to meet the expectations of consumers and regulators, he added.

“An EFTPOS outage results in abandoned sales immediately affecting the retailer’s bottom line. Even a small retailer loses hundreds of dollars in no time, not to mention the havoc and customer dissatisfaction.”

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