



## ePal told to come clean on EFTPOS fees

Luke Hopewell, ZDNet.com.au on September 29th, 2011 (2 hours ago)

**Supermarket challenger Aldi has this morning been awarded a win in the Federal Court of New South Wales against EFTPOS Payments Australia Limited (ePal), which has been ordered by the court to clarify to consumers that they may be hit with extra fees for using the organisation's electronic payments service.**



*(Sale on Cash register image by Chris Willis, CC2.0)*

Aldi originally took action against ePal two weeks ago in the Federal Court of NSW, seeking clarification over a new interchange fee scheme. Set to take effect on 1 October 2011, the scheme would see a new fee structure introduced where merchants would be charged an extra \$0.05 per transaction for all point-of-sale purchases over \$15, payable to the acquirer (the party collecting the money, ie, a bank), with an additional \$0.01 payable to ePal itself.

ePal added that fees for transactions under \$15 would be exempt, in a bid to eliminate minimum EFTPOS spend limits in stores. Transactions carried out by charities and via Medicare EasyClaim would also be exempt, as would supermarket chains Coles and Woolworths, thanks to a parent relationship with ePal.

ePal managing director Bruce Mansfield issued three press releases about the new scheme. The first outlined the scheme, followed by the second — a clarification that consumers wouldn't be charged extra for spending their own money via EFTPOS under the changes. However, Mansfield's third release back-pedalled on statements made in the second release, saying that he couldn't promise customers wouldn't be charged extra, as fees may be passed onto merchants by banks.

Justice Michael Jacobson handed down his judgement to the court this morning, saying that by releasing the three contravening statements, Mansfield and ePal had breached Australian Consumer Law. Justice Jacobson said that the statements were misleading, and called on ePal to publish "corrective advertising" to clear up what would be charged to whom under the new interchange fees.

Justice Jacobson recommended the following be published by ePal in one major national newspaper and one paper in each of the state's and territories:

There has been a range of comments in the media about EFTPOS's interchange fees. ePal, the company that manages the EFTPOS debit payment system, wishes to clarify aspects of planned changes to EFTPOS interchange fees and to correct statements made in a media release dated 12 August 2011, a column in the *Herald Sun* on 12 August 2011 and a media release dated 8 September 2011.

ePal is aware that some acquirers are intending to pass part or all of these fee changes on to some retailers. It remains to be seen what such retailers may do in relation to their consumers as a result of these changes. ePal is also aware that other acquirers do not intend to pass on any of these fee changes to retailers.

It is therefore premature to state with certainty what impact the planned changes will have at a retail level.

Aldi told *ZDNet Australia* it was pleased with the judgement and is in the process of preparing an in-depth statement on the victory.

Mansfield had been present in court for the majority of the hearings, but was absent this morning at the reading of the judgement.

Representatives for ePal told *ZDNet Australia* this morning that the organisation had no immediate comment on the matter.

ePal has been ordered to pay Aldi's legal costs in the matter, a clause that legal representatives for ePal continue to fight over in court this morning.

**URL:**<http://www.zdnet.com.au/epal-told-to-come-clean-on-efpos-fees-339323321.htm>