

### Federal Court To ePal: Aldi is right, Your Interchange Pricing Is Unclear

By Tony Ibrahim | Thursday | 2011-09-29

**The German grocery giant Aldi has won a Federal court case against Eftpos Payments Australia (ePal) today, with the court criticising ePal for not being clear and upfront about its new interchange pricing structure.**

ePal, which is partly owned by Australia's big four banks, announced its plans to implement a new interchange pricing structure in March. ZDNet report the new structure would have merchants charged an extra 5 cents for every transaction over \$15 (paid to the party collecting the money), with an additions 1 cent going to ePal.



Trying to eliminate minimum spend limits in store, ePal decided not to charge any fees for transactions below \$15. Also, supermarkets Coles and Woolworths would be exempt from the interchange fees due to a pre-existing parent relationship with ePal.

German Supermarket Aldi decided to take ePal to court over the matter, accusing it of revenue-raising, with the case filed on the 8th of September.

"With over five million EFTPOS transactions per day across Australia, it is possible that these new fees levied on retailers and merchants could lead to the banking industry reaping substantial additional revenue each year," the supermarket said in a statement.

Tom Daunt, Aldi's Managing Director, said Aldi did support the new interchange pricing model but was troubled by the lack of transparency around the new additional costs.

"Aldi supports changes to the interchange fee model that improves the competitiveness of EFTPOS in the market, but is very concerned about the transparency of the changes and potentially unjustified fee increases levied by the banks on retailers beyond their additional costs," said Daunt.

Today the Federal court sided with Aldi, claiming the additional fees introduced under the new interchange pricing structure were not transparent.

Tyro Payments, Australia's only independent payment provider, told ChannelNews it "applauds the decision to protect retailer and consumer rights through full and fair disclosure by promoting a culture of transparency and fairness in banking."

"It is unfair that retailers and consumer will or may be burdened while Coles and Woolworths are not affected," said Tyro Payments CEO Jost Stollmann.

"There is no more equal playing field, not for ALDI and not for Tyro's small and medium merchants.

"After the Federal Court judgement, banks should reconsider the fee increase. Instead, they should keep Eftpos a safe and low cost debit card solution for Australian retailers and consumers," he concluded.