

[IBTimes Home](#) > [Companies](#)

October 26, 2011 11:33 PM EDT

## Credit, Debit Card Transactions in Australia to Hit 4 Billion in 2011

By Vittorio Hernandez



More Australian consumers are shifting to plastic money to do their purchases. As a result credit and debit card transactions are expected to reach 4 billion in 2011.

It would be a sevenfold increase from 574 million transactions in 1996, independent electronic funds transfer at point of sale (EFTPOS) provider Tyro said. Along with the rise in card transaction is the increase in number of retailers using EFTPOS terminals to 700,000 units spread among 390,000 retailers.

However, along with the hike in card transactions is a corresponding increase in card fees that is expected to top \$1.23 billion for the current financial year.

The \$300 million increase in interchange fee charged by Australian banks from \$900 million in 2008 came despite failure by large banks to provide reliable and regular EFTPOS service, Tyro Chief Executive Officer Jost Stollman said on Thursday.

The increase includes being charged for the use of the EFTPOS, which was previously free. EPAL, the consortium that owns EFTPOS, justified the charging of fees to the revamp in technology which allows shoppers to conduct transactions using their mobile phones, contact-less terminals and online. That is made possible through the fitting of a chip into EFTPOS cards to mimic rival offerings of other card systems.

Mr Stollman quoted the Reserve Bank of Australia's Payment Systems Board Annual Report that identified Westpac, National Australia Bank and the Commonwealth Bank of Australia as having suffered a number of difficulties related to failure to delivery consistent and reliable EFTPOS services.

EFTPOS now accounts for 85 per cent of all debit payments in Australia.

"What is at stake is the reliability of the retail payment system with \$400 billion spent annually.... How can the banks justify such fee increases when their service is so unreliable," Mr Stollman asked.

He claimed that Tyro delivered 100 per cent availability of its credit and debit card acquiring system

and reported a 50 per cent growth in 2010 when the firm processed \$2 billion credit and debit card transactions for 5,000 retailers and pharmacies.

[Back to top](#)

[Read more from Companies »](#)

## More Sections

World

Economy

Tech

Education

Real Estate

Forex

Commodities

Gold

Fashion

Auto

Travel

Internet Business

US

Companies

Global Markets

Health

Jobs

Law

Entertainment

Sports

Luxury

Art

Books

Search

[Back to top](#)

[Back to homepage](#)

[View Full Website](#)

International Business Times © 2011