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Eftpos failures at Woolworths stores spark calls for new investment in systems

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Retailers are scrambling to ensure their payment systems are up-to-date after an Eftpos failure on Saturday caused shopping chaos at the first weekend of the busy Christmas season.

Eftpos machine systems went down at Woolworths, Dan Murphy's, Big W, Dick Smith and BWS during peak afternoon hours, affecting 3,200 stores across the country.

Both Woolworths and Eftpos were contacted for comment, but were unable to respond to *SmartCompany* before deadline.

A spokeswoman for the company told the *Australian Financial Review* the error was due to a failed network change with Telstra.

"This failed Telstra change degraded the processing of Eftpos transactions within Woolworths. At no stage was the problem associated with a breakdown with the Woolworths Financial Payments Switch," she said.

As the silly season kicks into full swing, however, there are concerns that similar outages could occur, placing retailers and SMEs at risk.

Jost Stollmann, CEO of Tyro Payments, which is an independent Eftpos merchant service provider, says such system failures can be especially damaging.

"Given that retail is doing it tough, no one can allow for error... It leads to significant customer dissatisfaction, and this is just not justifiable... being hit by the loss of sales," Stollmann says.

"The card payment has become the way Australia pays, so it has to work and consumers have to trust the system," he says.

Figures from the Reserve Bank of Australia recorded \$237 billion worth of charges on credit cards in the last 12 months, while shoppers spent \$156 billion via debit cards.

Woolworths said they were working with Telstra to "better understand the cause and seek assurances that steps are being taken to ensure the incident cannot recur."

Stollman says businesses should invest more in technology that allows for reliable service and maintenance.

"The big retailers, the associations and the regulators have to pressure banks into the required investment," he says.

"The failure has to become totally unacceptable."

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