

## MoneySwitch rebuffed on Eftpos entry

All the argy bargy about “reform” of payments systems and “access” may not matter a jot if there’s no real likelihood of entry by new providers. And in the merchant acquiring space, there’s only in fact only one entity that’s consistently flagged an interest in entering the market, the Sydney-based start-up MoneySwitch, a company run by a trio of former Cisco executives.

MoneySwitch wrote in their submission to the Reserve Bank that:

- They have been “unable to commence meaningful discussions with tier 1 participants [meaning big banks].
- “It has engaged a consultant who used to work for a major Sydney bank, but his contacts in both Sydney banks were unwilling to meet with MoneySwitch.”
- “MoneySwitch has written to Cashcard (now First Data) seeking access to their Eftpos gateway facilities, but has been told that Cashcard is too busy with integration tasks with First Data to be able to consider its application until at least 2005.”

MoneySwitch conclude that they “believe the lack of meaningful discussions is at least in part caused by the fact that any new entrant is likely to bring increased competition to the Eftpos market, to the detriment of the existing participants.”

**Today's edition by Ian Rogers and Stuart Mackenzie.**

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