

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

#### CBA

**CBA44QW:** For each provider, provide the following information based on the method of calculation for each merchant category type in your debit Acquiring portfolio:

- (a) Contracted provider (e.g. Visa)
- (b) Interchange fee (e.g. 0.04 per transaction)
- (c) Scheme fee based on an \$40 transaction (e.g. \$0.01 per transaction for first twenty transactions, then \$0.02 for every transaction thereafter)
- (d) Acquirer costs and margin (e.g. 1 per cent of transaction)
- (e) Any other cost (i.e. any fee not listed above)
- (f) Any 'profit' or 'premium' charged in addition by the bank that is passed onto the merchant (i.e. any fee not listed above)

(g) What is the total retail cost charged to merchant customers for each merchant category and each debit scheme, not including volume incentive payments for the following transactions:

- (i) \$5
- (ii) \$20
- (iii) \$40
- (iv) \$100
- (v) \$1,000

(h) What is the total Acquiring wholesale cost for each merchant category and each debit scheme, not including volume incentive payments for the following transactions?

- (i) \$5
- (ii) \$20
- (iii) \$40

(iv) \$100

(v) \$1,000

**Answer:** (a) Mastercard, Visa, Union Pay and eftpos

(b) Interchange fees are set by the scheme, not by the scheme participants. Details of interchange fees for each respective scheme have been provided as follows:

**Mastercard**

<https://www.mastercard.com.au/en-au/about-mastercard/what-we-do/interchange.html>

**Visa**

<https://www.visa.com.au/about-visa/interchange.html>

**eftpos**

<https://www.eftposaustralia.com.au/about/interchange/>

(c) Scheme fees are published by each of the schemes and updated by the schemes from time to time. These include a range of fees that cover processing, settlement, marketing and other services, and vary depending on a range of factors including card type, geography and mode of transaction. Given these fees are published under confidentiality provisions we cannot disclose them without the prior written consent of the scheme.

(d) Please refer to the answer to question CBA43QW(c) above.

(e) Please refer to the answer to question CBA43QW(c) above.

(f) Please refer to the answer to question CBA43QW(c) above.

(g) CBA offers a range of bundled and negotiated pricing arrangements. Our bundled packages range from a fixed fee of \$30 to \$150 per month, which provides the merchant with a device and includes monthly turnover ranging from \$1,500 to \$12,000 respectively. Additional details on the bundled packages can be found at our website:

[www.commbank.com.au/business/merchant-services/eftpos-terminals.html](http://www.commbank.com.au/business/merchant-services/eftpos-terminals.html)

The negotiated arrangements, typically for larger merchants, will depend on a range of factors including, merchant turnover, industry, average transaction size and transaction mix. It should be noted that interchange fees, which are a material component of retail merchant fees, are set by the respective schemes, and not by the participants in those schemes.

(h) Please see answer to (b) above.