

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS RESPONSE TO QUESTIONS IN WRITING REQUESTED

#### Citi Australia

##### Question CAB11QW : Merchant facilities and low cost routing

**(a) Do you provide merchant facilities, and if so, to how many customers?**

Response: Citi Australia does not currently provide merchant facilities to customers. Historically, Citi Australia had small subset of customers with merchant facilities however the business was sold October 2018.

**(b) Would your small and medium business customers save money if they moved to low cost routing, and if so, do you actively encourage customers to switch?**

Response: Please refer to question (a). Citi Australia does not currently provide merchant facilities to customers.

**(c) If so, how do you encourage small and medium business customers to switch to low cost routing?**

Response: Please refer to question (a). Citi Australia does not currently provide merchant facilities to customers.

**(d) Do you think all small and medium business customers should be on low cost routing?**

Response: Please refer to question (a). Citi Australia does not currently provide merchant facilities to customers.

**(e) What are the fee structures for different merchant services available, including low cost routing options?**

Response: Please refer to question (a). Citi Australia does not currently provide merchant facilities to customers.

**(f) What is the annual revenue received from total merchant services each year over the past five years?**

Response: Citi Australia does not currently provide merchant facilities to customers however prior to the sale of the business, the revenue<sup>1</sup> for the past 5 years is as follows:

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<sup>1</sup> Financials reported in USD and converted to AUD for this report at an exchange rate of USD 1.45

- 2015 - \$AU 13.09 million
- 2016 - \$AU 16.81 million
- 2017 - \$AU 22.05 million
- 2018 - \$AU 19.47 million
- 2019 - \$AU 0.00

**(g) What is the annual revenue received from small and medium business merchant services over the past decade?**

Response: Citi Australia does not currently provide merchant facilities to customers however prior to the sale of the business, the revenue<sup>1</sup> from small and medium businesses for the past 10 years is as follows:

- 2010 - \$AU 0.00
- 2011 - \$AU 0.00
- 2012 - \$AU 0.00
- 2013 - \$AU 0.00
- 2014 - \$AU 0.00
- 2015 - \$AU 0.02 million
- 2016 - \$AU 0.17 million
- 2017 - \$AU 0.44 million
- 2018 - \$AU 0.39 million
- 2019 - \$AU 0.00

**(h) What number and share (percentage of total) of merchant services for all customers:**

**(i) use low cost routing?**

**(ii) provide access to low cost routing?**

**(iii) of those that provide it, default to low cost routing?**

**(iv) require automated software upgrades to access low cost routing, have they been provided, and what is the rollout schedule and deadline where it has not been provided?**

**(v) require a user requested software upgrade to access low cost routing, and what has been the uptake?**

**(vi) require a hardware upgrade to access low cost routing, and how many remain?**

**(vii) do not provide access to low cost routing?**

**(viii) and what is the rollout schedule for low cost routing and the deadline where low cost routing has not been provided?**

Response: Please refer to question (a). Citi Australia does not currently provide merchant facilities to customers.

**(i) What number and share (percentage of total) of merchant services for small and medium business customers:**

**(i) use low cost routing?**

**(ii) provide access to low cost routing?**

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**(viii) and what is the rollout schedule for low cost routing and the deadline where low cost routing has not been provided?**

Response: Please refer to question (a). Citi Australia does not currently provide merchant facilities to customers.