

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

#### Suncorp

**SCB14QW(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?

**Answer:** Generally speaking, if merchants accept contactless scheme debit card transactions, low cost routing, also referred to as least cost routing (LCR) could help to reduce their transaction fees. Merchants with a high proportion of card not present transactions will not see significant benefits from LCR.

New customers are automatically onboarded with LCR where appropriate and our existing customers can opt in. We will proactively offer LCR to merchants who request a pricing review or contact us specifically about LCR.

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**SCB14QW(c):** If so, how do you encourage small and medium business customers to switch to low cost routing?

**Answer:** Information is available on our website on how to enable LCR. It is also discussed if they contact us.. A communication program is being developed to better explain the benefits of LCR to our merchants and encourage them to take up LCR. An initial campaign, to a subset of our existing merchants base, resulted in a very low take-up rate as merchants found the concept of LCR confusing and were sceptical of the benefits to them.

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**SCB14QW(d):** Do you think all small and medium business customers should be on low cost routing?

**Answer:** The benefits of LCR are dependent on the mix of transactions that the merchant accepts and their average ticket size. As mentioned above, if a merchant is accepting contactless scheme debit card transactions, least cost routing could help to reduce their transaction fees.

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**SCB14QW(e):** What are the fee structures for different merchant services available, including low cost routing options?

**Answer:** At Suncorp we offer simple pricing with a blended rate for our Merchant Service Fee and a flat rate Debit card fee. Pricing is dependent on the nature of business and can be set either as an industry rate or individual pricing can be negotiated if requested.