



27 March 2026

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Standing Committee on Economics
Department of the House of Representatives
PO Box 6021
R1.114 Parliament House
Canberra ACT 2600

Re: Follow Up Questions from Hearing of 24 February 2026

Dear ██████████:

Apple has been pleased to participate in the House of Representatives Standing Committee on Economics' Inquiry into Schemes, Digital Wallets and Innovation in the Payments Sector. As we have shared, Apple is committed to Australia and proud of the contributions we have made to the Australian economy, including to the payments sector through Apple Pay and Apple Wallet. We will continue investing in innovative technology that Australian users love and that provide significant and measurable benefits to Australian merchants and financial institutions.

Apple herein provides responses to the questions submitted in writing by the Committee Chair, the Hon Ed Husic MP, and by Mr Jerome Laxale MP. As we have previously agreed, Apple is providing confidential and sensitive business information under the proviso that this information will be kept confidential and not shared outside of the Committee or its staff. Specifically, we are designating the answers to the Chair's questions 2 and 4 and to Mr Laxale's questions 4-5, 7-11, and 13 as confidential. For certain of these questions, the entire answer is designated as confidential; for others, only portions of the answer are designated as confidential. Apple is providing this information in good faith and subject to the Committee's guarantee of confidentiality.

Questions from Committee Chair, the Hon Ed Husic MP

Question 1: During Apple's appearance before the committee, Apple held that Apple Pay has facilitated a 77% reduction in fraud. Can Apple validate this claim?

Response: Yes. In Australia, Apple Pay has reduced fraud by at least 77%.

Apple has received direct, consistent reporting on fraud rates from major Australian issuers representing 61% of Apple Pay transactions in Australia. The weighted average Apple Pay fraud rate for these transactions was 1.66 basis points between July 2024 and June 2025. By comparison, during the same



period, the Australian Payment Network (“AusPayNet”) reported a marketwide average fraud rate of 7.18 basis points.¹ Apple Pay’s fraud rate in Australia is 77% lower than the marketwide average.

However, Apple Pay’s fraud reduction in Australia may be even more significant than this. Data from a large, worldwide card network indicates an Apple Pay fraud rate of just 0.56 basis points in Australia—a 92% reduction from the AusPayNet marketwide average.

Out of an abundance of caution, Apple’s witnesses provided the more conservative statistic during the hearing held on 24 February.

Question 2: Does the Bank of America pay the same fees for Apple Pay as the Commonwealth Bank of Australia?

Response: Every payment institution in the same market pays the same fee rates for Apple Pay. Commonwealth Bank of Australia pays the same fee rates as every other payment institution in Australia, and if Bank of America were to issue cards in Australia on Apple Pay, it would be subject to the same fee rates in Australia.

Apple has provided additional confidential information responsive to this request.

Question 3: Several submissions to this Inquiry argue that even where merchant acquiring is competitive, Apple’s control of the wallet layer affects upstream competition because merchants cannot avoid Apple Pay when accepting payments from iPhone users. This is raised as a particular issue for small businesses seeking to manage payment acceptance costs. What analysis has Apple undertaken on the impact of Apple Pay fees on small merchant payment acceptance costs?

Response: Apple Pay does not increase costs for merchants as compared to traditional card transactions. Countless Australian merchants, including thousands of small businesses, have enabled Apple Pay at checkout and pay absolutely nothing to Apple. In fact, they enjoy many benefits—increased conversion first among them. In other words, thanks to Apple Pay, Australian merchants are seeing more people buying more things from their businesses as we reduce the friction and barriers to each transaction. Importantly, merchants also enjoy reduced fraud losses and lower payment costs thanks to least cost routing options.

The claim that Apple Pay raises merchant costs is simply not true for several reasons.

First, Apple does not charge any fees to merchants for accepting Apple Pay, and has taken steps to prevent payment institutions from passing the cost of their investment to merchants or users. All Apple Pay transactions are carried out using the payment instrument (*i.e.*, debit or credit card) provided to the Apple

¹ Australian Payments Network, *Payment Fraud Statistics*, 1 July 2024 - 30 June 2025, https://auspaynet.com.au/sites/default/files/2025-12/Payment_Fraud_Statistics_JUL24-JUN25.pdf.



Pay user by their bank. From a small business's perspective, each payment transaction for Apple Pay is processed precisely the same way a card transaction would be, and is subject to the same acceptance costs that apply to the underlying debit or credit card.

Second, Apple has fully supported the Reserve Bank of Australia's efforts to promote merchant least-cost routing by ensuring that Apple Pay allows merchants to select their payment network of choice, benefiting not only eftpos' ability to compete with other networks but also driving down costs of acceptance for merchants.² This means small businesses incur fewer costs and are in a better position to pass on savings to customers.

Finally, Apple Wallet enables users to store cards from a variety of institutions, enabling Apple Pay users to easily switch payment methods at point-of-sale. This facilitates choice and competition. Users can select their preferred payment method easily at point-of-sale. Of course, users can also pay with their plastic cards or other payment methods available from a range of providers in Australia, if they choose to do so.

Question 4: Why does Apple not publish a clear and comprehensive schedule of Apple Pay related fees and any changes to those fees?

Apple has provided confidential information responsive to this request.

Questions from Mr Jerome Laxale MP

Question 1: In relation to the claim in your submission that "Apple Pay has reduced fraud losses by well over USD \$1 billion annually and by 45–80% compared to physical cards", please identify:

- a. the source of the underlying data;
- b. the time period to which the data relates;
- c. the methodology and baseline used to calculate the reduction, including the definition of "fraud losses" and whether reductions are measured per transaction, per dollar value, or per active card;
- d. the fraud losses that Apple has borne due to their liability in fraud conducted via Apple Pay;
- e. how "physical cards" are defined for the purposes of this comparison; and
- f. whether these figures are global in scope, and if so, whether they include markets with materially different fraud profiles to Australia.

² See also Apple, Submission to Inquiry into Digital Payment Schemes and Emerging Technologies, p.10 (30 Jan. 2026), <https://www.aph.gov.au/DocumentStore.ashx?id=4b6f7acf-5f84-4b75-9bdf-0044c289e004&subld=786194>.



Response: Apple knows that millions of Australians put their trust in our products. We are proud that our devices are the most secure on the market, and we work hard every day to earn and maintain this trust by keeping users' sensitive financial information safe and secure. As a result of our industry-leading security protections, Apple Pay has cut global payment industry fraud rates by more than half—as much as 80% worldwide as compared to physical cards. We are proud of these results, which have been demonstrated across markets, including Australia.

The specific points referenced here are derived from a consolidated view of data from multiple sources around the globe, including from major Apple Pay issuing partners, payment networks, merchants, payment service providers, McKinsey & Company, the Nilson Report, central banks, major payment industry groups, and Apple's internal transaction data. They are based on data from the 2025 calendar year.

The 45-80% reduction in fraud losses is calculated as a per dollar value. The aggregate total reduction is calculated as: Apple Pay Transaction Volume (\$) x (Global Average Card Fraud Rate - Apple Pay Estimated Fraud Rate). The term "physical cards" is used as a baseline representing the fraud rate for all card transactions market-wide.

The figures underlying this claim are global and incorporate data from markets with varying fraud profiles, including those different from Australia's—however, the Australia-specific data provided in response to your Question 2 and the Chair's Question 1 demonstrates that Apple Pay's reduction of fraud in Australia has been consistent with (indeed, at the high end of) these global trends.

Apple is proud to provide this secure platform and critical data signals to our partners. The issuing bank makes the final authorisation decision for each and every transaction and ultimately assumes liability for fraud (along with merchants, in some cases, as appropriate). As a payment presentment method, Apple does not bear the risk of fraud. This means that Apple Pay's fraud reduction benefits accrue directly and fully to our issuer partners, who enjoy significant savings from bearing significantly lower levels of fraud risk and the attendant costs.

Question 2: In relation to your statement that fraud has been reduced by 77% in Australia, please identify:

- a. the source of the underlying data and whether it is Australian-specific;
 - b. the time period to which the data relates;
 - c. the methodology and baseline used to calculate the reduction, including the definition of "fraud losses" and whether reductions are measured per transaction, per dollar value, or per active card;
 - d. which issuers and payment networks are included, and whether any data has been excluded;
- and



- e. whether the reduction is measured against physical cards, non-tokenised digital wallets, or pre-Apple Pay fraud levels.**

Response: In Australia, Apple Pay has facilitated a reduction in fraud of at least 77%.

Apple has received direct, consistent reporting from major Australian issuers representing 61% of Apple Pay transactions in Australia. The weighted average Apple Pay fraud rate for these transactions was 1.66 basis points between July 2024 and June 2025. By comparison, during the same period, the Australian Payment Network ("AusPayNet") reported a marketwide average fraud rate of 7.18 basis points.³ Apple Pay's fraud rate in Australia is 77% lower than the marketwide average.

However, Apple Pay's fraud reduction in Australia may be even more significant than this. Data from a large, worldwide card network indicates an Apple Pay fraud rate of just 0.56 basis points in Australia—a 92% reduction from the AusPayNet marketwide average.

Out of an abundance of caution, Apple's witnesses provided the more conservative statistic on 24 February.

The reduction is measured based on per dollar value, and calculated as (Market Average Fraud Rate - Apple Pay Fraud Rate) / Market Average Fraud Rate. As explained above, the baseline market average fraud rate for all card transactions is published by AusPayNet. It includes physical cards, non-tokenized digital wallets, and other card payment instruments.

Question 3: In relation to your statement that you have reduced ecommerce fraud by 90%, please identify:

- a. the source of the underlying data;
- b. the time period to which the data relates;
- c. the methodology and baseline used to calculate the reduction, including the definition of "fraud losses" and whether reductions are measured per transaction, per dollar value, or per active card;
- d. whether these figures are global in scope, and if so, whether they include markets with materially different fraud profiles to Australia.

Response: Apple is proud to be playing a major role in reducing e-commerce fraud—which not only hurts consumers, but also disproportionately impacts merchants (as they typically bear the cost of this type of fraud).

³ Australian Payments Network, *Payment Fraud Statistics*, 1 July 2024 - 30 June 2025, https://auspaynet.com.au/sites/default/files/2025-12/Payment_Fraud_Statistics_JUL24-JUN25.pdf.



Based on available data, Apple Pay fraud rates for e-commerce (or “card not present”) transactions is over 90% lower than the industry average. This statistic, which is specific to Australia, is based on two high-quality data sources. One large, worldwide card network reports that Apple Pay’s e-commerce fraud rate is 1.7 basis points in Australia. AusPayNet reports that the market average e-commerce fraud rate is 19.9 basis points—a 91.5% reduction. As demonstrated here, this reduction is based on a per dollar value, calculated as (Market Average E-commerce Fraud Rate - Apple Pay E-commerce Fraud Rate) / Market Average E-commerce Fraud Rate. The AusPayNet report covers the 2024 calendar year, and Apple Pay’s data covers July 2024 - June 2025.

Question 4: Provide the gross revenue received by Apple in the last financial year (1 July 2024 – 30 June 2025) from Apple Pay fees from Australian banks.

Apple has provided confidential information responsive to this request.

Question 5: Does Apple charge Australian issuers the same fee for Apple Pay transactions as American issuers? There was some hesitation when asked about the relative arrangements for Bank of America vs. Australian banks – can you confirm the pricing is globally consistent?

Response: Every payment institution in the same market pays the same fee rates for Apple Pay. Commonwealth Bank of Australia pays the same fee rates as every other payment institution in Australia, and if Bank of America were to issue cards in Australia on Apple Pay, it would be subject to the same fee rates in Australia.

Apple has provided additional confidential information responsive to this request.

Question 6: Does Apple engage in rebating or ‘top of house’ contracts that might mean that some large banks or global firms are getting a better deal than small banks?

Response: No. Apple does not engage in “rebating or ‘top of house’ contracts” with financial institutions. As part of our commitment to offering Apple Pay on a level-playing-field-basis, in Australia, as in every other country, the largest financial institutions and the smallest financial institutions in the same market pay uniform fees.

Question 7: You noted that your commercial terms for NFC & SE access are less costly than equivalent fees that would be incurred via Apple Pay. Can you please provide a worked example for an Issuer with 1 million active cards, with 2B annual spend processing transactions using a third party wallet with NFC & SE access compared to an issuer using Apple Pay? How much less costly is the NFC & SE program?

Apple has provided confidential information responsive to this request.



Question 8: You indicated that an Apple Pay fee only accrues when an action is taken that directly benefits the issuer financially, which is a transaction. Can you confirm there are no Apple Pay charges or NFC & SE program charges when the issuer does not benefit financially (e.g., where a transaction fails or is reversed)?

Apple has provided confidential information responsive to this request.

Question 9: How many developers have applied for NFC & SE access in Australia? How many of these applications have been approved by Apple?

Response: Our new NFC & SE Platform promotes competition and consumer choice, and reflects our longstanding commitment to the developer community. This secure solution developed by Apple allows authorized developers in Australia and around the world to offer secure, contactless transactions in their own apps, using the exact same underlying technologies as Apple Pay and Apple Wallet.

Apple has provided additional confidential information responsive to this request.

Question 10: How many developers have applied for NFC & SE access globally? How many of these applications have been approved by Apple?

Apple has provided confidential information responsive to this request.

Question 11: How many third party wallets using the NFC & SE access on iPhone are in market and available to consumers globally?

Apple has provided confidential information responsive to this request.

Question 12: Are third parties charged for NFC & SE access?

Response: Apple made significant investments in the proprietary integrated hardware and software technologies that power the secure NFC & SE Platform solution, including the Secure Element and its applets—requiring ongoing investment to maintain and support the solution for developers. As such, third party developers who use the NFC & SE Platform to store and access credentials will be charged fees for the secure storage and presentment of those credentials to undertake transactions. This commercial model is designed to compensate Apple for the value it provides and the significant costs Apple incurs to maintain the NFC & SE Platform and continue developing new features and enhancements for developers and users of their apps.



Question 13: Are third parties charged a per transaction fee for transactions processed on their own wallet using NFC & SE access? Is this fee lower than the fees charged to issuers for Apple Pay transactions?

Apple has provided confidential information responsive to this request.

Question 14: How many third party wallets using the HCE NFC access on iPhone are available to consumers globally?

Response: As we noted on 24 February, Apple has been required by the European Commission to adopt and make Host Card Emulation (“HCE”) capabilities available to apps in the European Economic Area. HCE is a technology that Apple did not develop or select, and we do not believe it to be the best solution for our users. It is a software-based technology that is less secure than NFC & SE, which relies on a dedicated and encrypted hardware chip (*i.e.*, the “Secure Element”). Many platforms are now moving away from their legacy HCE solutions and towards what we have developed. In fact, the European Union itself is now incorporating the use of a Secure Element in its regulatory frameworks for digital European IDs and digital European currency.⁴ Apple has brought legal challenges to the EU’s interoperability obligations, including requirements that Apple provide access to its technology without compensation.

To date, there are six third-party wallet apps using HCE available on the App Store in the European Economic Area.

⁴ *E.g.*, Commission Implementing Regulation (EU) 2024/2979 of 28 November 2024 laying down rules for the application of Regulation (EU) No 910/2014 of the European Parliament and of the Council as regards the integrity and core functionalities of European Digital Identity Wallets, OJ L, 2024/2979 (12 Apr. 2024); European Central Bank, *Progress on the Preparation Phase of a Digital Euro: First Progress Report* (June 2024), https://www.ecb.europa.eu/euro/digital_euro/progress/html/ecb.deprp202406.en.html.