



## **Questions on Notice from Committee Chair, the Hon Ed Husic MP:**

### **1. What is the lowest interest rate on a credit card in Australia right now?**

The Australian credit market is characterised by significant product diversity, with offerings tailored to meet a broad spectrum of consumer needs.

Product comparison websites provide an easy way for Australians to compare different interest rates, fee structures and product features, across a wide range of bank and non-bank lenders.

### **2. What mechanisms does the ABA believe should be used to open up access to Apple's Near Field Communication (NFC) Technology?**

The Reserve Bank of Australia (RBA) has signalled its intention to review the digital wallet landscape following the expansion of its regulatory oversight. The ABA welcomes this review and looks forward to participating in the consultation process.

Currently, two distinct frameworks exist for facilitating third-party access to iPhone NFC functionality: a **regulated equivalent access model** (applicable to the 30 countries in the European Economic Area) and a **commercial access model** (in other jurisdictions). While both models deliver comparable functionality and end-user experiences, the underlying commercial structure and market implications differ substantially.

#### **I. Regulated equivalent access model (European Economic Area only)**

Following an antitrust investigation by the European Commission, Apple committed to providing equivalent third-party access to iPhone NFC functionality within the EEA. Key aspects of this access regime include:

- **Functional equivalence:** Third-party providers can access essential wallet features, including the ability to designate a competing wallet as the default payment application.
- **Cost:** Third-party access is provided on a **fee-free basis**.
- **Technical implementation:** This model utilises Host Card Emulation (HCE). HCE allows payment credentials to be stored securely and used for NFC transactions without relying on the device's embedded secure element. While this differs technically from Apple Pay's technical architecture, the European Commission has stated HCE *"offers an equivalent solution in terms of security and user experience."*<sup>1</sup>

#### **II. Commercial access model (non-EEA)**

Outside the EEA, Apple provides access through its NFC & SE Platform program. While this may allow a functionally similar end-user experience, it **does not provide equivalent access for competing wallet providers**. The primary drivers of this are:

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<sup>1</sup> July 2024. 'Remarks by Executive Vice-President Vestager on the decision to make binding commitments offered by Apple', European Commission Speech [\[online\]](#)



- **Unilateral terms:** Access is subject to Apple’s specific commercial and technical approval. Participation requires confidential contractual agreements, and there is no general provision for third-party wallets to achieve default equivalence.
- **Structural commercial disadvantage:** As with Apple Pay, pricing under this model is not publicly disclosed. However, media reporting in connection with an antitrust investigation by Brazil’s competitor regulator has suggested transaction-based fees in the range of 0.12 per cent to 0.17 per cent.<sup>2</sup> If accurate, that would indicate that NFC access for competing wallets is priced at a level broadly similar to Apple Pay itself.

### Competitive implications

The primary distinction between these frameworks is the level of market contestability and commercial viability conferred upon competitors to Apple Pay. The EEA regime establishes an environment where third-party providers can compete on a level playing field. In contrast, the commercial model creates a structural disadvantage for competitors, as they must navigate access fees and technical constraints that Apple does not incur.

There is a growing range of wallet products competing with Apple Pay in the EEA. In contrast, the ABA is not aware of any competing mobile wallet currently launched under Apple’s NFC & SE Platform program. In our view, the different commercial structures would be a significant factor in these divergent outcomes. For example, the provider Curve offers its iOS wallet product in the EEA but has publicly indicated that Apple’s access fees have prevented it from launching in the UK.<sup>3</sup>

#### a) Should this occur, what does the ABA and its members believe will be the impact for consumers?

The ABA believes that competitively neutral access to NFC technology would bolster competition, drive innovation and place downward pressure on ecosystem costs.

For consumers, there would be competitive benefits although any visible financial impact would be somewhat mitigated as Apple Pay fees are not charged directly to end users. The more visible impact would be through the entry of competing wallets offering different functionality, incentives and integrated services. In other words, the consumer benefit is more likely to arise through greater choice and product innovation. Visa, which works with third party wallet providers, has publicly attributed EU regulatory change to positive market outcomes:

*“A major regulatory shift under the EU’s Digital Markets Act opened NFC access to third-party wallets, paving the way for greater competition and innovation in mobile payments. This allows more European players to bring new experiences to market and give consumers more choice.”<sup>4</sup>*

The EEA regulations came into force in July 2024, and the first third party competitor to Apple Pay was launched in December 2024. In the relatively short time span since then, there have been a range of competitor services that have come to market.

<sup>2</sup> [CADE investigates whether Apple has a monopoly on NFC payment on iOS • Tecnoblog](#)

<sup>3</sup> The Times (April 2025). ‘Curve Pay takes on tech giants with alternative to Apple Pay’ [\[online\]](#)

<sup>4</sup> Visa Newsroom (February 2025). ‘Visa Helps Launch New Digital Wallets in Europe’ [\[online\]](#)



We have provided some detail on a few of these below:

Provider	Market	Market developments
<b>Vipps MobilePay</b>	<b>Nordics</b>	Launched in December 2024, Vipps was the first company in the world to offer a competing solution to Apple Pay on iPhone. <sup>5</sup> Consumers in the Nordics using Vipps MobilePay can now use a single app for everything: splitting a bill (P2P), paying online, and mobile payments in-store.
<b>Volksbanken Raiffeisenbanken 'VR' Banking</b>	<b>Germany</b>	German cooperative banks have enabled iPhone contactless payments through the VR Banking app. A clear benefit of this has been the introduction of domestic debit (girocard) payments via iPhone.
<b>PayPal</b>	<b>Germany</b>	Integrated in-store contactless payments with existing PayPal features like cashback and buy-now-pay-later instalments.
<b>Curve Pay</b>	<b>EEA wide</b>	Enables mobile payments while adding features Apple Pay does not natively offer, including post-purchase card switching, Smart Rules, cashback and lower FX costs. A notable example here is Curve's <i>Anti-Embarrassment Mode</i> – a feature that automatically switches to a backup card if the primary one is declined at the terminal, ensuring the consumer isn't stuck at the checkout.
<b>BLIK</b>	<b>Poland</b>	In Poland, domestic payments via BLIK required the use of a manual 6-digit code entry for in-store payments. Access to the NFC has delivered significant convenience to consumers and businesses through enabling mobile NFC payments via Poland's preferred mobile payment system.

<sup>5</sup> Vipps Newsroom (December 2024). '*Vipps MobilePay launches the world's first alternative to Apple Pay on iPhone*' [\[online\]](#)



**Questions on Notice from Mr Jerome Laxale MP:**

**1. Who ultimately determines chargeback rules in Australia? Who has oversight over this?**

Chargeback rules are set and administered by the card schemes.

While the ABA serves as an industry body and cannot provide guidance on chargeback specifics, we are aware of the concerns raised by small businesses.

In our view, the current regulatory framework, though originally established to protect consumers, may now insufficiently consider legitimate and growing concerns of merchants.

As online commerce increasingly becomes the default, we would support a comprehensive review of existing scheme settings to ensure there is an appropriate balance to protecting the interests of both buyers and sellers.

**2. Do you assess whether the allocation of dispute cost is balanced?**

As an industry association, the ABA does not have visibility of how dispute costs are apportioned or allocated.

**3. Do you monitor fraud within the chargeback framework? Has it increased/decreased?**

The ABA does not have mechanisms that could accurately measure such incidence but are aware of growing small business concerns.

**4. How do global platforms contribute to dispute resolution costs?**

This is a question best addressed by card scheme providers.

**5. Is the current framework fair to small business?**

The ABA is aware of growing small business concerns.

**6. Are you aware of “chargeback fraud” impacting small businesses - where small businesses ship goods, then funds are withdrawn from them following a potentially fraudulent chargeback claim?**

The ABA is aware of these concerns.

**7. If so, have these rates risen or reduced?**

The ABA does not have mechanisms that could accurately measure such incidence but are aware of growing small business concerns.

**8. What data do you have of instances of occurrence of above, or similar, phenomenon?**

The ABA does not have mechanisms that could accurately measure such incidence but are aware of growing small business concerns.

**9. What steps are you taking to limit “chargeback fraud”?**

The ABA would support a comprehensive review of relevant scheme rules.