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Mr Gavin McNeill  
Assistant Director, Adjudication Branch  
Australian Competition and Consumer Commission  
23 Marcus Clarke Street  
Canberra ACT 2601

15 November 2017 – By email

Dear Gavin,

**RE; FEE FREE ATMS FOR VERY REMOTE INDIGENOUS COMMUNITIES**

Kismet (WA) Pty Ltd as an Independent ATM Deployer is seeking inclusion in the ATM Fee-free arrangement for very remote Indigenous communities. Kismet (WA) Pty Ltd is involved in the deployment and operation of ATMs throughout Western Australia.

We understand that there will be a continuation of the fee free arrangement after 1 December 2017 for a further five to ten years. The inception of the fee free arrangement has been a significant achievement by the ABA to assist in providing services to remote communities comparable to services in larger regional areas and cities where bank terminals with fee free transactions are commonplace.

Given that there is currently only one Independent ATM Deployer involved in this scheme, the monopoly has been held tightly and as a result the sites involved have not had any options other than to remain with a service provider that has not necessarily met their needs or expectations.

Due to the considerable expense in supplying and maintaining ATM services to remote communities it is impossible for Independent ATM providers who are not included in the arrangement to compete with the current providers. It would be detrimental to introduce direct charge ATM fees into these communities, adding further burden to the customers who do not necessarily understand the financial impact of conducting multiple ATM transactions.

It is also apparent that provision of only one Independent ATM provider in the arrangement so far has been frustrating to some Managers in remote Indigenous communities who would welcome the option to choose another provider but to do so would incur unavoidable direct charges and therefore cause further hardship to the communities involved.

Our ongoing discussion with one store manager has certainly shone the spotlight on current deficiencies in service to their site. This particular store manager is at present near the end of their existing contract and forced to make a decision to either re-sign with the current supplier, introduce a fee paying ATM to the site or not have any ATM services in his location until he is able to make a choice of Deployer.

In our experience with remote communities there is a different culture to accessing cash where often the cards are passed between family members who take turns in purchasing certain supplies. This can result in multiple transactions in one day on the same card or numerous balance enquiries whilst waiting for their Centrelink payment to come into their account. A direct charge ATM could potentially reduce a customers' balance significantly without them being aware and therefore cause unreasonable hardship.

In addition to the only Independent ATM Deployer involved in the arrangement, we note that there has been a submission from another large ATM deployer. We also note that within this submission, there was reference to "less than reputable deployers". On that point, there have been many ISO's enter the market place in recent years, some with less success than others. We agree there are some Deployers who perhaps are not committed to investing heavily in their ATM networks or service levels, which reflects detrimentally on the reputation of ISOs as a collective.

There has also been a drive in recent years within the market to promote ATMs as an investment model. This can lead to predatory pricing on ATM direct charges as the individual ATM owners can set any Direct Charge to the card user. ATMs as an investment model has proven to be problematic and it is not a practice we have ever recommended or engaged in.

From a competition perspective, the Independent ATM industry as a whole is a tight, very competitive business, however, small independents are unable to compete against large multi national deployers due to their high offers of Merchant rebates and cash sign on incentives. Small deployers do not have the transaction volumes to enable very low switching and processing charges, however, they do have the advantage of personalized service.

As a small Independent ATM provider, owned and directly operated by two working Directors, we have a "hands on", personalised approach to servicing our clients which cannot be matched by the large multi-national ATM providers. We are well established with over 11 years experience as an ATM deployer. Prior to this our technical expertise goes back even further to the inception of lobby ATMs into WA. This enables us to provide a definite point of difference with technician direct service and one-on-one assistance to sites. Whilst our focus is primarily in Western Australia, we have the ability to extend our services to other Australian locations as required.

The costs of supplying and maintaining ATMs to remote communities and regional areas are higher than Metropolitan based terminals. The locations are harsh with red dust and extreme heat and/or humidity that is not an ideal operating environment for ATMs. There is often a higher turnover of parts and the distances and logistics involved to provide on site technical support are also necessarily greater.

The point of difference in using a smaller "boutique" deployer is the development of a more personal relationship, all hours support and fast turn around of spare parts. We offer a true alternative to customers who have tried other independent deployers and are seeking a change.

Kismet WA Pty Ltd currently service many regional areas throughout WA, including Indigenous communities not currently involved in the fee free arrangement. We have never been involved in predatory ATM fees and have always tried to keep our direct charges for withdrawal and balance enquiry fees as low as possible (in some cases below industry standard). Our current customer base is testament to our outstanding service and our quality equipment.

Kismet (WA) Pty Ltd is a member of the ATM Industry of Australia. We are committed to best practices, codes of conduct, operating rules and ethical, honest business practices at all times. We only use certified equipment, our ATMs are latest technology and EMV compliant.

We request consideration to be a participant in the fee free arrangement moving forward in conjunction with any other Independent ATM deployers chosen for inclusion.

Yours sincerely,  
Kismet (WA) Pty Ltd  
Fleur Ingram, Director

