

**ARL**

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AUST. COMPETITION &  
CONSUMER COMMISSION

30 SEP 2003

16 September 2003

Australian Competition and Consumer Commission  
PO Box 6381  
East Perth WA 6892

**Re: Zero EFTPOS Interchange**

To whom it may concern

Associated Retailers Ltd supports the ACCC's rejection of the Application by the banks seeking to implement zero EFTPOS interchange fees, and fully supports the position of the Australian Retailers Association ("ARA") in relation to this matter.

We acknowledge that some change to the current EFTPOS fee structure is required, but we do not support a wholesale change to zero interchange fees for EFTPOS transactions. The current fee structure is based on transparent pricing principles, and the fees charged to retailers are much lower than they would otherwise be.

The banks would have retailers believe that a reduction or removal of EFTPOS interchange fees means reduced costs for the industry and consumers - this is definitely not the case. All retailers, big and small, will be required to pay higher bank fees for EFTPOS transactions. These higher costs will in turn be passed on to all consumers through higher prices for goods and services.

The reforms supported by the banks will see a transfer of costs from the banks to retailers, and ultimately to cardholders. The only winners therefore will be the cardholders' banks who will **not** be required to pay interchange fees to retailers' banks. Instead the retailers' banks will have no option but to recover this lost revenue from all retailers.

Associated Retailers Ltd fully supports the ACCC's decision to reject the Application for zero EFTPOS interchange fees by the banks as the proposal will only result in an increase in the cost of doing business for all retailers.

Yours sincerely  
For and Behalf of  
**ASSOCIATED RETAILERS LTD**



**GRAEME YEOMANS**  
Managing Director