



**Australian
Competition &
Consumer
Commission**

Our Ref: C2009/62 and C2009/219
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10 February 2009

Michele Bullock
Head of Payments Policy
Payments Policy Department
Reserve Bank of Australia
GPO Box 3947
SYDNEY NSW 2001

Dear Ms Bullock

Third line forcing notification N93735 lodged by Westpac Banking Corporation

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 30 December 2008 and our letter to you of 8 January 2009.

The notified arrangement involved Westpac Banking Corporation proposing to enter an agreement with HSBC Bank Australia Limited under which a HSBC Bank customer using a Westpac ATM will not be charged for the use of that ATM. Customers of other banks using Westpac ATMs are expected to be charged an amount (a Direct Charge Fee) for use of Westpac ATMs, pursuant to reforms to the ATM system expected to be implemented in March 2009.

Legal immunity conferred by the notification commenced on 13 January 2008.

On the basis of the information provided, it is not intended that further action be taken in this matter at this stage.

As with any notification, the ACCC may act to remove the immunity afforded by the notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

Third line forcing notification N93744 lodged by Westpac Banking Corporation

On 19 January 2008 Westpac lodged a further notification with the ACCC. The conduct the subject of the notification lodged on that date involved Westpac proposing to enter into separate agreements with Citigroup Pty Ltd, Australian Settlements Limited (which represents 16 credit unions and building societies), Members Equity Bank, GE Money and Indue Limited (which provides card and payment services). Under the agreements, retail-banking customers of each of these financial-services organisations will get a discount on the Direct Charge Fee that would be payable to Westpac when these customers use a Westpac owned ATM.

Legal immunity conferred by the notification commenced on 2 February 2009.

A copy of this notification is available on the ACCC's public register and an electronic copy of it can be found on the exclusive dealing notifications register (under the 2009 entries) found on the ACCC's website, www.accc.gov.au

On the basis of the information provided, it is not intended that further action be taken in this matter at this stage.

As noted above, the ACCC may act to remove the immunity afforded by a notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

Therefore, the ACCC would appreciate receiving any comments regarding this notification at any stage.

A copy of this letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact John Rouw on (03) 9290 1402.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Chadwick', written in a cursive style.

Dr Richard Chadwick
General Manager
Adjudication Branch