



Cuscal Limited, National Australia Bank Limited and rediATM network members applications for authorisation A91175 to A91177

Interim authorisation decision

The Australian Competition and Consumer Commission (the ACCC) has decided to grant interim authorisation in respect of the applications for authorisation lodged by Cuscal Limited, National Australia Bank Limited and rediATM network members (the applicants) on 28 July 2009.

In broad terms, the applicants (for themselves and on behalf of each future member of the rediATM Network) are seeking authorisation to make and give effect to arrangements between Cuscal and the members of the rediATM Network:

- about the deployment of ATMs in the rediATM Network
- to not directly charge cardholders of members of the rediATM Network for the supply of ATM transaction services at a rediATM
- to not charge cardholders of non-members of the rediATM Network a direct charge fee which exceeds the Maximum Direct Charge for the supply of ATM transaction services at a rediATM as set by Cuscal in consultation with the members of the rediATM Network
- to refuse to give a discount to a foreign cardholder in relation to the supply of ATM transaction services at a rediATM.

Interim authorisation

Interim authorisation, pursuant to section 91(2)(d) of the *Trade Practices Act 1974* (the Act), protects the arrangements for which authorisation is sought from legal action under the relevant provisions of the Act while the ACCC considers and evaluates the merits of the application. The decision on interim authorisation in no way binds the ACCC in its consideration of the merits of the substantive applications.

Reasons for decision

The arrangements are proposed pursuant to reforms to the ATM system that took effect from 3 March 2009.

The ACCC considers that the protection provided by interim authorisation will allow the applicants to provide their cardholders with access to a wider range of ATMs without incurring a direct charge now that the 3 March 2009 reforms have taken effect.

Absent the ability to offer their customers access to direct fee free transactions through a reasonable network of ATMs smaller financial institutions may be at a competitive disadvantage to larger financial institutions under the reforms.

The ACCC has also taken into account that no objections have been raised to the application for interim authorisation.

Reconsideration of decision

Interim authorisation will remain in place until the date the ACCC's final determination comes into effect or until the ACCC decides to revoke interim authorisation. The ACCC's decision in relation to interim authorisation should not be taken to be indicative of whether or not final authorisation will be granted.