

Hayley Parkes
Australian Competition & Consumer Commission
GPO Box 3131
CANBERRA ACT 2600

Monday 15 July 2013

Dear Hayley

Re: Reference 51693 Visa Worldwide Pte & Ors – application for authorization A91379 & A91380 interested party consultation.

I write in support of the application above and would respond to the Australian Competition & Consumer Commission (ACCC) as follows:

The Australian Retailers Association (ARA) has for over 110 years been the peak industry body in Australia's \$258 billion dollar retail sector, which employs over 1.2 million people. As an incorporated employer body under Fair Work (Registered Organisations) Act 2009 and with a range of member services including employment relations, policy development, advocacy and education, the ARA promotes and protects over 5,500 independent retailers throughout Australia.

The ARA provides leadership and solutions to improve the long term viability, productivity and visibility of the retail industry by proactively dealing with government, media and other regulatory bodies such as the ACCC on behalf of our members. The ARA's membership base comprises of an array of different sized and types of retailers reflecting the profile of the retail industry. Its membership ranges from large department stores and large national chains to single person operators throughout the nation.

Key points related to the introduction of PIN at Point of Sale (POS) from a retail perspective are as below:

- Retailers support the introduction of PIN@POS to reduce fraud from lost and stolen cards.
- There are material and substantial benefits that would result from the implementation of PIN@POS mandates by Visa and MasterCard at the same time and on the same terms.
- If PIN@POS mandates were implemented separately or differently by Visa and MasterCard, retailers would likely be faced with increased costs and disruptions to their businesses. Such costs and disruptions result from required equipment changes or upgrades, software changes or upgrades, changes to retailer procedures and operations to accommodate the mandates, and retailer staff training to understand and implement any new requirements.
- A key benefit to the implementation of similar PIN@POS mandates at the same time will substantially reduce or eliminate the duplication of the business costs and disruptions that would result from these mandates.
- A PIN@POS mandate will require many customers who pay with cards to change their behaviors when making purchases. This can lead to confusion by cardholders and/or

increased friction in the customer experience at the point of purchase. Implementation of PIN@POS requirements at the same time and on the same terms will decrease as much as possible this confusion and increased friction at the point of purchase. This minimisation of impact would be a substantial benefit to retailers in the implementation of PIN@POS mandates.

- Retailers wish to remove as much as possible customer confusion or negative experiences at the point of purchase. A significant number of cardholders do not use a PIN for card purchases today. Therefore, a substantial consumer and cardholder awareness and education effort is necessary in order to successfully implement mandatory PIN@POS. Retailers would support unified communications and messaging from the payments industry to increase the effectiveness and efficiency of the consumer and cardholder awareness and education effort.
- Retailers recognise that substantial time is necessary for consumer and cardholder education efforts for PIN@POS mandates. Therefore, we would also support granting of interim authorization and early approval of Visa's and MasterCard's application.

In closing, the ARA was aware that a working group - of which the ARA is a member - has been involved in reviewing the need for a move from signature based transactions to PIN based transactions. The ARA strongly supports this move and believes that there is no competitive issue in this matter as retailers often wear the cost of fraud to their business. Moving from signature based transactions to PIN based transactions for all card payment will only assist in reducing any fraud that retailers wear the cost of.

Please feel free to list this letter in full or in part on the ACCC public register website as this is a public submission. Should you wish to contact the ARA for further information please contact myself directly or the ARA's Policy Director, Heath Michael on 1300 368 041.

Kind regards



Russell Zimmerman
Executive Director