

18 July 2013

Ms Hayley Parkes
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

By email to: Hayley.parkes@accc.gov.au

Dear Hayley

RE: VISA AND MASTERCARD APPLICATION FOR AUTHORISATION OF PIN@POS

We refer to your letter dated 9 July 2013 advising of the applications by Visa and MasterCard for both interim and full authorisation for the mandatory use of PIN at point of sale (PIN@POS) and the offer to comment on the applications.

As a member of both the Visa and MasterCard schemes, the implementation of PIN@POS has a direct impact on our organisation and on this basis we have taken up the offer to comment on the joint submission.

The primary factor that led to Visa and MasterCard scheme members (members) first considering a joint initiative for the introduction of PIN@POS, was an acknowledgement by both the schemes and their members, that fraud was continuing to increase at an unacceptable rate and to address this, mitigating initiatives needed to be identified, agreed upon and implemented.

In order to make this effective it was generally accepted by members that this required a co-ordinated and collaborative approach and hence the formation of an Industry Steering Committee (committee) which includes participation by Indue, to take charge of the implementation.

We are in support of the Visa and MasterCard application for two main reasons. Firstly, it provides public benefit of creating a single communications message around the upcoming mandatory use of PIN, irrespective of the card (Visa and MasterCard) or the consumer's financial institution. Setting a common date will minimise consumer confusion around what is required of them and in what timeframe and also make the financial institution's job of increasing the use of PIN to an acceptable level prior to the mandate, more achievable. Most consumers have more than one card in their wallet or purse and without consistency it will be the consumer that is disadvantaged.

Secondly, if a common mandate is set, it will reduce implementation costs borne by the financial institutions and merchants which will remove the potential for additional costs to be passed on to consumers. With a single date, technical changes at the point of sale terminal level can be made once rather than twice, education of merchants will be made easier by relying on a single message for how cards can be used and changes to financial institution and merchant systems will be minimised.

We thank you for the opportunity to comment on the Visa and MasterCard application and if you have any questions, feel free to give me a call on 07 3258 4248.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Michael Swannell', with a stylized flourish at the end.

Michael Swannell
Executive Manager - Payments