

5 September 2013

Australian Competition and Consumer Commission
(Attention M/s Marie Dalins)
BOX 3131
CANBERRA ACT 2601

Dear M/s Dalins

**Visa Worldwide Pte Limited & Ors Application for Authorisation and Interim
Authorisation A91379 & A91380 Amended 2 September 2013**

We refer to the application by Visa and MasterCard for Authorisation of their PIN@POS program as amended on 2 September 2013 to incorporate American Express (AMEX). National Billing Group Pty Ltd (NBG) and its trading operations CabFare Pty Ltd have reviewed the amended application.

The content of the application addresses a key concern we flagged in our submission of 24 July 2013 on the original application that:

"all card companies (especially AMEX) should deploy PIN@POS transactions as soon as possible. Maintaining signature only approval card products in the Australian community serves to confuse consumers and leaves a gaping lacuna in the EFTPOS security framework in Australia open to fraud and imposition of higher costs on merchants and ultimately consumers."

Accordingly NBG supports:

1. The inclusion of AMEX in the amended application to mandate the use of PIN@POS (EMV) for all card present transactions by all Visa, MasterCard and AMEX Cardholders and Merchants in Australia.
2. Involvement by AMEX in the joint marketing of PIN@POS, although we continue to be of the view that marketing is unlikely to have any significant impact on cardholder behaviour ahead of the mandated PIN@POS date. The marketing should be supplemented by a program of pricing and incentives, outlined in our 24 July 2013 submission, to encourage early adoption of PIN@POS by the 45% of cardholders who have eschewed it to date.
3. The ACCC grant of an interim authorisation for the conduct as outlined in the amended application dated 2 September 2013.

In approving the application NBG believes that as a condition of authorizing the conduct, the ACCC should obtain binding undertakings from the Applicants that where merchants provide PIN@POS (EMV standard compliant) and it involves a card present transaction, then financial risk and liability for the transactions is borne by the Cardholder or the Card Issuer and not by the

Merchant (i.e. the practice of “**Chargeback**” as part of the dispute resolution process is not required because of the use of PIN@POS technology).

We are available to meet with the Commission officers to discuss any of the matters contained in this submission.

Yours sincerely



David Hamilton
General Manager
Strategy and Regulation