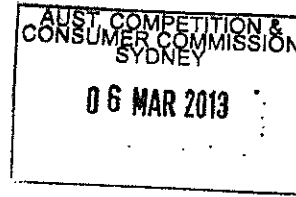


Our Ref: RHW:242988

6 March 2013



Mr Richard Chadwick
 General Manager - Adjudication Branch
 Australian Competition and Consumer Commission
 Level 20
 175 Pitt Street
 SYDNEY NSW 2000

BY HAND

Dear Sir

Form G - Notification of Third Line Forcing Exclusive Dealing

We act for Heritage Bank Limited (**Heritage**) and enclose:

1. Form G – Notification of Exclusive Dealing for lodgement; and
2. a cheque on behalf of our client in the amount of \$100 in payment of the filing fee.

By way of background, Heritage is an independent Australian mutual bank which offers both personal and business banking services. Heritage issues a range of prepaid payment products such as stored value cards. These consist of standalone non-cash payment facilities under Chapter 7 of the *Corporations Act 2001*, and may include related services such as foreign exchange services (together, **Prepaid Products**).

Heritage wishes to partner with businesses which have an identifiable group of customers to whom Heritage can offer its Prepaid Products (**Program Partners**). Examples of Program Partners might include retailers (whose customers may, for example, hold loyalty cards), mobile telephone companies or the operators of airline loyalty programs.

In the context of these partnerships, Heritage may not offer Prepaid Products (or may not offer Prepaid Products on the same terms) to consumers who are not customers of a Program Partner. It might therefore be argued that:


- (a) Heritage's conduct in offering its Prepaid Products to customers of Program Partners could constitute an offer of services on condition that a customer acquire goods or services from another person (i.e., from a relevant Program Partner); or
- (b) refusal by Heritage to offer Prepaid Products to a consumer who is not a customer of a Program Partner could constitute a refusal to supply services for the reason that the consumer has not acquired goods or services from another person (i.e., from a relevant Program Partner).

Brisbane
 Canberra
 Melbourne
 Norwest
 Sydney

Accordingly, Heritage wishes to lodge the enclosed notification in respect of the conduct set out above.

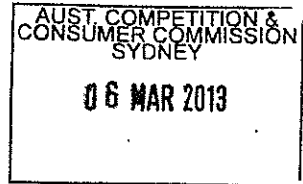
If you require any further information to consider this notification, please do not hesitate to contact me.

Yours sincerely
HWL Ebsworth



Richard Westmoreland
Partner

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Postal: GPO Box 5408 Sydney, New South Wales 2001
Address: Level 14, Australia Square, 264-278 George Street, Sydney, New South Wales 2000
Facsimile: 1300 369 656 (Australia) | +61 3 8615 4301 (International)
DX: DX 129 Sydney



Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

(a) **Name of person giving notice:**
(Refer to direction 2)

N96643 Heritage Bank Limited (ACN 087 652 024) (**Heritage**).

(b) **Short description of business carried on by that person:**
(Refer to direction 3)

Heritage is an independent Australian mutual bank which offers both personal and business banking services.

(c) **Address in Australia for service of documents on that person:**

David Janetzki
Level 6, 400 Ruthven Street
Toowoomba, QLD, 4350

2. Notified arrangement

(a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates:**

See below.

(b) **Description of the conduct or proposed conduct:**
(Refer to direction 4)

Heritage issues a range of prepaid payment products such as stored value cards. These consist of standalone non-cash payment facilities under Chapter 7 of the *Corporations Act 2001*, and may include related services such as foreign exchange services (together, referred to in this Notification as **Prepaid Products**).

Heritage wishes to partner with businesses which have an identifiable group of customers to whom Heritage can offer its Prepaid Products (**Program Partners**). Typically, for reasons associated with the services provided by the Program Partners, the customers of such Program Partners will hold a form of secure access device such as a credit card sized card with appropriate security features or a mobile telephone equipped with an appropriate microchip and software. Examples of Program Partners might include retailers (whose customers may, for example, hold loyalty cards), mobile telephone companies or the operators of airline loyalty programs.

In the context of these alliances, Heritage may not offer Prepaid Products (or may not offer Prepaid Products on the same terms) to consumers who are not customers of a Program Partner. It might therefore be argued that:

- (a) Heritage's conduct in offering its Prepaid Products to customers of Program Partners could constitute an offer of services on condition that a customer acquire goods or services from another person (ie, from a relevant Program Partner); or
- (b) refusal by Heritage to offer Prepaid Products to a consumer who is not a customer of a Program Partner could constitute a refusal to supply services for the reason that the consumer has not acquired goods or services from another person (ie, from a relevant Program Partner).

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) **Class or classes of persons to which the conduct relates:**
(Refer to direction 5)

Existing or prospective customers of Program Partners.

- (b) **Number of those persons:**

- (i) **At present time:**

Not known.

- (ii) **Estimated within the next year:**
(Refer to direction 6)

Not known.

- (c) **Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:**

Not applicable.

4. Public benefit claims

- (a) **Arguments in support of notification:**
(Refer to direction 7)

The proposed conduct will:

- provide customers of Program Partners with convenient access to a secure non-cash payment facility on competitive terms without the need to carry an additional card or other form of secure identification;
- make it easier and more efficient for customers to acquire Prepaid Products because much of the data normally required to be obtained from customers will already be held by relevant Program Partners and, depending on the Program Partner, some or all of the verification of customers' identities may already have been completed; and
- increase competition in the markets for relevant payment services.

- (b) **Facts and evidence relied upon in support of these claims:**

Please refer to item 4(a) above.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2(a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

(Refer to direction 8)

The markets likely to be affected by the proposed conduct are the markets in which payment technologies such as credit cards, debit cards and gift/pre-paid stored value cards are supplied and acquired (payment system markets). It is likely that these markets are at least national in scope.

6. Public detriments

(a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:

(Refer to direction 9)

For the following reasons, Heritage does not believe that the notified conduct will give rise to any public detriments:

- The non-cash payment facility offered to customers of Program Partners will be an optional facility. Customers of Program Partners will have no obligation to take up the offer of Prepaid Products from Heritage – the offer does no more than provide customers with access to a convenient facility that they may take up if they choose.
- Acceptance of the offer of Prepaid Products from Heritage will not preclude, nor in any way inhibit, a customer from acquiring alternative non-cash payment facilities from competing service providers.
- In supplying Prepaid Products, Heritage will be constrained by effective competition from a range of large and powerful competitors such as the major banks and the many existing suppliers of stored value cards.

(b) Facts and evidence relevant to these detriments:

Please refer to item 6(a) above.

7. Further information

- (a) **Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:**

Richard Westmoreland
HWL Ebsworth
Level 14, Australia Square
264-278 George Street
Sydney NSW 2000
Phone: (02) 9334 8717
Email: rwestmoreland@hwle.com.au

Dated: 6 March 2013

Signed on behalf of the applicant



Richard Westmoreland
Partner, HWL Ebsworth



DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.