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* Associated Firm

** In cooperation with
Trench, Rossi e Watanabe
Advogados

16 September 2015

Dr Richard Chadwick
General Manager Adjudications
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra
ACT 2601

Dear Dr Chadwick

ihail Pty Ltd application for authorisation [A91501] - request for information

We refer to the Australian Competition and Consumer Commission's (**Commission**) request for further information date 14 September in relation to ihail Pty Ltd's (**ihail**) application for authorisation. ihail has provided its responses and further information for the Commission below.

1. Will fare estimates generated by the ihail app be inclusive of this 5% surcharge?

The fare estimator does not include the relevant state specific surcharge in its calculations. This information will be notified to customers.

ihail's fare estimator calculates an estimate of the fare value based on the distance between the customers location and the selected destination, time of pickup, selected route, car type and GST. The calculation of the fare excludes certain costs such as booking fees and tolls. The fare estimator includes a disclaimer which reads as follows:

"The amount displayed is an estimate only, calculated on the basis of distance, the time of pickup, route and car type, and includes GST. The amount excludes any costs associated with any particular payment type, any applicable extras, tolls, airport charges and/or the journey time. Actual fares may vary based on the route chosen."

The ihail app fare calculator does not take into account the payment surcharge as it varies from state to state.

Furthermore, ihail also includes details of the different charges applicable in each State in the FAQ's section set out on the ihail site. These details can be found at ihail.com.au.

2. Will customers be informed?

In order to sign up to ihail a user must enter their credit card details. When a user enters their credit card details it is clearly stated that a user's credit card will be charged when they book a vehicle. A user is unable to use the app without signing up for an account.

When signing up for an ihail account a user agrees that:

“By signing up you agree to the Terms and Conditions and Privacy Policy, including in relation to marketing communications which you may unsubscribe from at any time.”

These terms and conditions are available for review prior to a consumer registering an account with ihail, both through the application and at ihail.com.au. The terms and conditions state that payment is required in accordance with the customer's registered credit card details and that a processing fee is applicable to the fare upon processing of the payment. The percentage value varies between states. For example, the fee is set at 5% in New South Wales, Victoria and Western Australia. In all other states and territories ihail will charge a 10% credit card processing fee. ihail will lower their fees in accordance with any changes in relevant state legislation.

ihail notes that a user who does not wish to pay these fees will be able to use a competing app, hail a taxi or make a phone booking. For instance in Queensland a user may use Black and White's white label application which charges users 5% per transaction.

ihail also includes details of the different charges applicable in each State and Territory in the FAQ's section set out on the ihail website. These details can be found at ihail.com.au.

Yours sincerely



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