

19th April, 2021

Simone Warwick
General Manager – Merger Investigations
Australian Competition and Consumer Commission

Dear Simone,

Re: Proposed amalgamation of BPAY, eftpos and NPPA – interested party consultation (MA1000020)

By way of introduction, Quest Payment Systems Pty Ltd (Quest) delivers card acceptance solutions in Australia, counting many of Australia's largest retailers as our customers. Quest has relationships with all the all major Australian banks, who acquire card transactions for our retailers. Quest develops and manufactures payment software and hardware solutions in-house, in Australia. We are a company of hardware and software engineers and innovators, and are experts in the technologies utilised by retailers and banks for the purpose of making payments. Quest solutions support all major payment schemes including eftpos.

Quest has significant doubt that any public benefit will be realised by the merger.

eftpos' business is very different to the other merged entities. It has been working hard to play catch-up to the large and powerful international payment schemes. Any amalgamation of these three diverse entities will cause disruption and distraction at a time when payments are changing rapidly. We have serious concerns that the merger will distract eftpos and put it even further behind its competitors which risks its long-term survival. Given the rise of debit at the expense of cash, a strong domestic debit system is essential for payment sovereignty and competition to the international card schemes.

Without a viable domestic debit payments network, the costs for merchants will increase and ultimately consumers will pay more. If we look to the UK where the domestic debit system was disbanded over 10 years ago, we can see the impact of less competition. Whereas in Canada, a government supported debit system has led to lower acceptance costs and increased competition. eftpos' market share has been in decline for 10 years and it has some systemic challenges given the increase of multi-network cards, increasing use of digital wallets and decrease of eftpos only debit cards.

Thank you for the opportunity to comment on this matter and please don't hesitate to contact any of us should you require further information.

Sincerely,



Luke Fuller

Head of SME and Alternative Payments



CEO



Director