

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

HSBC

HSB05QW: Eftpos:

HSB05QW(a): Do you intend to pass on savings from the eftpos interchange wholesale repricing for routed multi-network debit card transactions that is being introduced on 1 July? If so, how much of the 2 cent reduction per transaction will be passed on?

Answer: This is managed directly by FDMSA under the terms of our partnership. However, HSBC Australia is working closely with FDMSA to prioritise this capability in the interests of our merchant customers and end-consumers.

HSB05QW(b): When do you intend to turn on all eftpos digital messages?

Answer: This is managed directly by FDMSA under the terms of our partnership. However, HSBC Australia is working closely with FDMSA to prioritise this capability in the interests of our merchant customers and end-consumers. Our partner FDMSA will launch the digital for eftpos service in the 3rd quarter of 2020.

HSB05QW(c): Have you turned on at least the low risk transactions such as card on file and D&W that were technically available in 2018? If not, why?

Answer: Yes

HSB05QW(d): Do you believe turning on digital for eftpos will create more price competition and place issuer income at risk? If so, is this one of the reasons you have been slow to launch eftpos digital?

Answer: Yes. Our partner FDMSA will launch the digital for eftpos service in the 3rd quarter of 2020.

HSB05QW(e): Do you think you are acting in your merchants' best interests by not turning on eftpos digital transactions sooner?

Answer: This question is not directly applicable to HSBC Australia as our partner FDMSA is the merchant acquirer on record. However, HSBC is committed to the best interests of our clients and fair pricing outcomes. Our partner FDMSA will launch the digital for eftpos service in the 3rd quarter of 2020.