

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Westpac Banking Corporation

WBC49QW: Acquiring merchant facilities:

(a) Please provide details for debit transactions through your Acquiring merchant facilities for calendar year 2019 and calendar year 2020 (to date) including:

- (i) The total number?
- (ii) In dollar terms?
- (iii) Total fees received by the bank?

(b) Please provide details for debit transactions through your Acquiring merchant facilities for financial year 2018/2019 and financial year 2019/2020 (to date):

- (i) The total number?
- (ii) In dollar terms?
- (iii) Total fees received by the bank?

(c) Please outline the schemes that provide debit card payments services currently contracted by the bank, including:

- (i) The name of the card payments service provider.
- (ii) The length of their current contract.
- (iii) How far through the contract the bank currently is.
- (iv) How much of the contract remains.
- (v) Whether the contract involves the provision of card payments with debit, credit or other products.
- (vi) Whether the contract applies incentive payment arrangements based on volume of processed transactions or other performance criteria per payment type or as an aggregate volume.
- (vii) Details of the 'profit' or 'premium' charged to the business between the cost of the transaction fees charged to the acquiring bank by various schemes, and the transaction fees

charged to small and medium business customers by the acquiring bank, including interchange, scheme fees, acquirer margin and terminal rental.

Answer:

(a)

(i) 2019 - 222,060,376 transactions
2020 (YTD – April) - 75,085,502 transactions

(ii) 2019 - \$13,079,657,558
2020 (YTD- April) - \$3,688,166,078

(iii) 2019 - \$28,462,876
2020 (YTD April) - \$8,503,542

(b)

(i) Assumes Westpac financial year
2018/2019 - 203,445,558 transactions
2019/2020 (YTD – April) - 144,196,413 transactions

(ii) Assumes Westpac financial year
2018/2019 - \$12,973,422,078
2019/2020 - \$7,164,416,193

(iii) Assumes Westpac financial year
2018/2019 - \$27,596,315
2019/2020 - \$ 16,498,567

(c) Westpac Group has contracts for debit card payments services with Eftpos, Mastercard and Visa. The details of the contracts with those schemes are commercially sensitive.