

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

#### Citi Australia

##### **CAB23QW: 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:**

Citi is not able to respond to questions CAB22QW, CAB23QW, CAB24QW and CAB25QW as Citi does not engage in the activities the subject of those questions.

Citi sold its merchant acquiring business in 2018, meaning that Citi no longer issues any merchant acquiring facilities (either card present or card not present).

Citi has the franchise rights for the Diners Club business in Australia, however, the questions do not apply to the Diners Club business for the following reasons:

- Diners Club does not issue dual scheme cards (meaning that all Diners Club card transactions must route through the Diners Club network);
- Diners Club does not issue any merchant terminals in the Australian market; and
- Diners Club does not control the method in which a transaction is routed from at the point of sale, instead, the business' merchant terminal will detect the Diners Club card range and route directly to Diners Club (as it is a single-network card).