

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Citi Australia

CAB24QW: For each provider, provide the following information based on the method of calculation for each merchant category type in your debit Acquiring portfolio:

- (a) Contracted provider (e.g. Visa)
- (b) Interchange fee (e.g. 0.04 per transaction)
- (c) Scheme fee based on an \$40 transaction (e.g. \$0.01 per transaction for first twenty transactions, then \$0.02 for every transaction thereafter)
- (d) Acquirer costs and margin (e.g. 1 per cent of transaction)
- (e) Any other cost (i.e. any fee not listed above)
- (f) Any 'profit' or 'premium' charged in addition by the bank that is passed onto the merchant (i.e. any fee not listed above)
- (g) What is the total retail cost charged to merchant customers for each merchant category and each debit scheme, not including volume incentive payments for the following transactions:
 - (i) \$5
 - (ii) \$20
 - (iii) \$40
 - (iv) \$100
 - (v) \$1,000
- (h) What is the total Acquiring wholesale cost for each merchant category and each debit scheme, not including volume incentive payments for the following transactions?
 - (i) \$5
 - (ii) \$20

(iii) \$40

(iv) \$100

(v) \$1,000

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).