

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Citi Australia

CAB25QW: Eftpos:

(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?

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

(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?

(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?

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

