

*HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS*

*REVIEW OF THE FOUR MAJOR BANKS*

*Heritage Bank*

*HERO6QW: 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 a \$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) \$7,000

**Answer:** *Heritage Bank is an issuer bank only. We do not do any merchant acquiring and are unable to provide response to these questions.*