



Media release

RETAIL NZ WELCOMES CONSULTATION ON RETAIL PAYMENTS SYSTEMS

Retail NZ says it welcomes the release of a Government consultation paper on the fees charged by banks and card companies for retail payments systems.

“Research by Retail NZ shows that New Zealand merchants pay substantially more than merchants in other markets for accepting credit and contactless debit cards, which ultimately translates into higher prices for consumers,” Retail NZ’s General Manager for Public Affairs, Greg Harford, said today. “We have been calling for more transparency and oversight of payments systems, and we are pleased that the Minister of Commerce has today released a discussion paper on these issues.

“The fees that merchants have to pay to accept credit and contactless debit payments are substantially higher in New Zealand than in comparable jurisdictions such as Australia and the UK. On average, New Zealand merchants pay 1.7% for credit card transactions and 1.0% for contactless debit transactions, compared to 0.89% and 0.36% in the UK, and 0.78% and 9 cents per contactless debit transaction in Australia. Fees in New Zealand are continuing to increase, while in other comparable jurisdictions, they are going down over time.

“This translates into a substantial cost for merchants and, ultimately, higher prices for consumers. The costs are rising rapidly as customers increasingly transition from traditional EFTPOS to contactless debit transactions. A report last year by Covec estimated that merchants would pay \$3.1 billion in fees over the next 10 years, most of which is flowing to foreign owned banks and card companies.

“Retailers are watching progress on this issue closely and will be providing feedback to Government on the issues raised in the paper”.

Note for editors: Retail NZ’s discussion paper on this issue, and updated research on the costs of payments fees can be found at <http://www.retail.kiwi/payments>.

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