

17 August 2021

Attention: Alex Reed / Sophie Mitchell
Australian Competition & Consumer Commission

Via email: mergerauthorisations@acc.gov.au

To whom it may concern

PROPOSED AMALGAMATION OF BPAY, EFTPOS AND NPPA - MA1000020

The Australian Retailers Association (ARA) would like to thank the ACCC for the opportunity to provide an additional submission on the proposed amalgamation of BPAY, eftpos and NPPA.

The ARA is Australia's largest and oldest retail industry group and represents around 7,500 independent, national and international members. The ARA is the trusted voice for Australia's \$360 billion retail sector, which employs more than 1.2 million people.

The ARA believes that the payments system should facilitate competition, innovation, efficiency, and merchant choice. As such it is pleasing to see that the ACCC is reviewing the proposed merger with specific consideration to the impacts on competition, least cost routing, and potential public benefits.

We are broadly supportive of the merger and believe that it has the potential to ultimately strengthen competition in the payment system. While concerns remain about the provision of least-cost routing and future of a domestic debit scheme, we believe that, on balance, the merger will provide a net benefit for the retail industry.

We believe that the proposed undertaking addresses some competition concerns, though falls short of guaranteeing a benefit to merchants and customers. It is important to note that, in the absence of amalgamation, there are no guarantees that these concerns would be resolved without RBA intervention.

The ARA has consistently advocated for least cost routing to be rolled out for merchants, which ensures that retailers and their customers benefit from low-cost transactions. While the undertaking does not require acquiring banks to provide least-cost routing as a default offering to merchants, a matter we believe should be regulated by the RBA, it does provide comfort that the proposed Prescribed Services will be delivered in the short-medium term.

Importantly, the undertaking provides some confidence that merchants, particularly small retailers, will continue to be able to access the lower cost of payment processing often available with eftpos payments. We believe an amalgamated entity increases the likelihood that a strong domestic debit scheme can continue to provide competition in the Australian debit payments market in the long-term.

Thank you again for the opportunity provide a submission in response to the application. If you would like to discuss this issue further, please do not hesitate to contact me at [REDACTED].

Yours sincerely



Paul Zahra
Chief Executive Officer