

Sent: Monday, 30 June 2008 07:35  
To: RBAInfo  
Subject: credit Card processing fees

Hello,

A few years ago you changed the inter-bank rate fees for credit cards which was supposed to be beneficial to consumers; lower prices, lower credit cards, more competition, etc.

Now I can report on your success: None, in fact this decision has resulted in higher costs to the consumer.

- The banks immediately raised other charges to more than make up for the loss of inter-bank processing fees.
- I now pay \$3.00 per month for my visa debit card which used to be free.
- I now pay a "processing cost charge" many times when I use my credit card. Mostly these are 1% but I have been quoted a charge as high as 4%. Many of those who charge are utilities, airlines, Tours, etc.. they are high ticket items which are hard to pay cash for. At the retail level prices have had to be increased as a credit card fee would make some uncompetitive. Those who are charging it don't have to worry too much about competition or the industry is charging the fee (price fixing??).
- I am still waiting for a cost reduction at the retail level. They laugh at me when I mention it and many say the banks raised other rates to make up for the loss of inter-bank processing fees.

Now I believe when I read your conclusions it was not supposed to work this way. I have also been told by a politician that you were to do a follow-up audit in order to verify your conclusions and if that has been done **I would like a copy of the results** (I did that in bold so you could not overlook it).

For your reference in case you can't find it I have included your conclusions for your comments and also my initial reaction to this change, most of which has come true.

***In the future please do not do us any more favors!***

Joe Lenzo

Safety Beach Vic 3936