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ACCC submission to the Reserve Bank of Australia's Review of Payments System Regulation

The Australian Competition and Consumer Commission (ACCC) welcomes the opportunity to comment on the Reserve Bank of Australia's (RBA) Review of Payments System Regulation Issues Paper of 25 June 2026.

The ACCC is an independent Commonwealth statutory agency that promotes competition, fair trading and product safety for the benefit of consumers, businesses and the Australian community. The primary responsibilities of the ACCC are to enforce compliance with the competition, consumer protection, fair trading and product safety provisions of the *Competition and Consumer Act 2010* (Cth) (CCA), regulate national infrastructure and undertake market studies.

The ACCC engages with issues relating to payments systems in a range of different contexts, including through:

- enforcement work addressing anti-competitive conduct
- consumer protection actions combatting scams, including the ACCC's Scamwatch function and the new National Anti-Scam Centre
- authorisations and exemptions in the payments sector
- various accreditation and compliance and enforcement roles associated with the Consumer Data Right (CDR) and the Australian Government Digital ID System (AGDIS), and
- collaborating with other financial regulators to enhance competition and consumer outcomes relating to financial services and the payments system.

This response focuses on competition considerations raised in the issues paper.

The ACCC notes the importance of a well-functioning payments system to facilitate dynamic and innovative markets resulting in outcomes to benefit consumers across the Australian economy.

Effective competition is a critical element of a well-functioning payments system, and the ACCC supports the RBA's approach to ensure that payment systems are characterised by strong contestability, effective interoperability and appropriate standardisation.

Merchant choice and competition across debit card networks

A central driver of competition in the payments markets is merchant choice of payment providers and payment routing. The ACCC has taken action to promote competition and respond to alleged anti-competitive conduct that could influence merchants' choice of debit card networks.

In May 2022, the ACCC instituted proceedings in the Federal Court against Mastercard Asia/Pacific Pte Ltd and Mastercard Asia/Pacific (Australia) Pty Ltd (together, Mastercard), for alleged tying conduct in contravention of the Competition and Consumer Act 2010.

It is alleged that in response to the RBA's least cost routing initiative, between November 2017 and November 2020, Mastercard entered into agreements with large merchants with the purpose of substantially lessening competition. The agreements provided cheaper strategic merchant rates for credit transactions on the condition that those merchants agreed to process Mastercard dual network debit card transactions through the Mastercard network rather than eftpos, which deterred merchants from routing to eftpos and enabled Mastercard to retain volume even where eftpos was likely to be the lowest cost stand-alone provider of those services.

Mastercard has defended the allegations and contends that its commercial arrangements did not have the alleged anti-competitive purpose and that its response to the RBA's least cost routing initiative was pro-competitive. The trial was held from 13 April 2026 to 5 June 2026 with judgment reserved.

This matter follows the ACCC's response to similar concerns with conduct by Visa. The ACCC accepted a court enforceable undertaking from Visa in March 2021 (expired in March 2024). That undertaking sought to address the ACCC's concerns that Visa may have engaged in anti-competitive tying conduct through its dealings with large merchants and Visa's dealings with merchants could have influenced their choice of debit card network and diminish competition.

Regardless of the payment environment (in person, online) or the payment technology, the benefits of competition are likely to be enhanced where merchants can continue to make effective choices between competing payment networks and providers.

Bundling of payment services with non-payment services

Businesses are generally entitled to supply goods or services as part of a tied or bundled arrangement. Tying and bundling are common commercial arrangements which can have efficiencies for suppliers or consumers and don't harm competition and, in some cases can even promote competition by offering consumers more compelling offers.

However, tying or bundling by a business with substantial market power may have the capacity to substantially lessen, hinder or even prevent competition, through excluding rivals or softening the conditions for competition. Further a business with substantial market power in one market could use a tie or bundle to extend or 'leverage' this market power into another market. An exemption is available, through a public assessment process of competitive harm and public benefits, and if granted, provides a business with certainty if that business with market power proposes to use tying or bundling arrangements.

Payment technology - access and competition

Competition risks can arise where payment services are delivered through digital platforms, and platform operators are able to influence, preference or restrict downstream payment choices. Competition outcomes are generally improved where merchants, consumers and payment providers can access critical technologies on fair and transparent terms, including near field communication (NFC) technology. Access to NFC technology, as well as consideration of potential broader interoperability obligations for mobile operating systems, is also being considered as part of the digital competition regime announced in principle by the government in December 2024.[1]

Several overseas ex ante digital competition regimes (including in the EU, UK and Japan) have targeted concerns where payment services are delivered through digital platforms, including in relation to NFC access, anti-steering rules[2] and restrictions on alternative in-app payments systems on mobile devices.[3] In Europe, Apple now provides access to NFC functionality on iOS devices free of charge, allowing third parties to offer contactless payments in apps such as digital wallets. This has already led to entry and announcements by a variety of third-party payment systems in Europe.[4]

While not a matter specifically addressing competitive NFC payment access, we draw the RBA's attention to the *Epic Games, Inc v Apple Inc* and *Epic Games, Inc v Google LLC* private proceedings where on 12 August 2025, the Federal Court of Australia found Apple and Google engaged in misuse of market power in breach of section 46 of the CCA by restricting the use of alternative app distribution methods and in-app payments methods on an Apple or Android mobile device since 2017. In particular, trial judge Justice Beach carefully considered privacy and security system architecture issues in these proceedings.[5] On in-app payments, in both judgments, Justice Beach found no technical or security basis for requiring apps to use Apple's or Google's own payment system instead of a third-party solution. We note that this matter is still before the Court and these issues could be further reviewed in the event of any appeal.

Prioritisation of issues

The ACCC does not offer any views on which issues listed in the paper should be prioritised over others. We observe that the issues all require close consideration for potential regulatory action to address relevant stakeholder concerns.

The ACCC welcomes the opportunity to engage on these issues as the RBA undertakes its Review into Payments System Regulation. If you have any questions regarding this submission, please contact Melinda McDonald, Executive General Manager, Competition Division on (07) 3835 4628.

Yours sincerely

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1 Digital platforms – a proposed new digital competition regime

2 Restrictions app marketplaces place on app developers informing consumers about alternative payment options outside an app (for example, by providing a hyperlink for consumers which takes them to a website).

3 For example, see Article 5(4), 5(7) and 6(7) of Europe's Digital Markets Act, and Article 7, item 2, Article 8, item 1 and Article 8, item 2 of Japan's Mobile Software Competition Act (English language translation of Mobile Software Competition Act subordinate legislation and guidelines). In the UK, the Competition and Markets Authority has also consulted on potential steering obligations for designated mobile platforms and is expected to consult on measures relating to NFC access later in 2026.

4 Vipps, PayPal, Bancomat, Curve and Walt have all announced digital wallets on iOS in Europe.

5 Epic Games, Inc v Apple Inc [2025] FCA 900 See paragraphs 5443-5623, 6006-6043 and 6044-6113; Epic Games, Inc v Google LLC [2025] FCA 901 See paragraphs 5639-5687 and 5894-6053.