

Response to

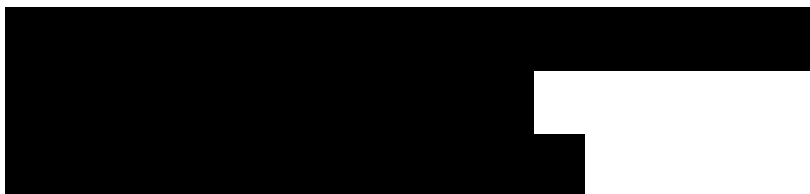
**Review of Merchant Card Payment Costs and
Surcharging**

Consultation Paper

Published 15 July 2025



Julian Peterson



25 August 2025

Who am I?

I live in Sydney

I use a mixture of credit card, debit card, Apple Pay and cash for transactions.

I am not within the payments industry, I am a consumer.

I wish to particularly address:

Q1: Would removing surcharging on designated card networks best support the RBA's objectives to promote the public interest through improving competition, efficiency and safety in the payments system?

In particular, the RBA welcomes feedback on whether there are additional public interest considerations that should be taken into account for each policy option.

This is an updated version of my submission "Response to Merchant Card Payment Costs and Surcharging October 2024 - Julian Peterson"

Unlike the current ~~mess~~ arrangements, the answer is simple and the RBA appears to appreciate this:

Banning card surcharges on all credit & debit cards

Follow the EU and the UK and ban card charges completely to prevent hidden costs to consumers.

Surcharges are not an effective price signal for consumers as they are almost never listed in advance.

MR. MESSY
By Roger Hargreaves



The current scheme is a mess

Please don't make it even worse with convoluted rules for different cards: ban card surcharges to consumers.

Is a ban inflationary?

Sell a coffee for \$1 and add 2% credit card surcharge:

Coffee	\$1
Card surcharge	\$0.02
Total	\$1.02

Now sell that coffee with the same costs following a ban:

Coffee	\$1
Card fees included	\$0.02
Total	\$1.02

On the face of it, the ban is not inflationary UNLESS the merchant finds some new way to increase charges at the same time as fees are banned.

I have previously shown, see pages 12 and 13, that the current card surcharges may be inflationary as someone has been increasing them from 1.5% to 1.9% for no apparent reason.

And some retailers have reportedly found a way to receive additional benefits from increasing surcharges which are not actually related to card fees.

This would not be possible after a ban, so a ban may well be **deflationary**.

Why do consumers hate surcharges and why surcharges are not an effective price signal for them.

Surcharges have become drip pricing

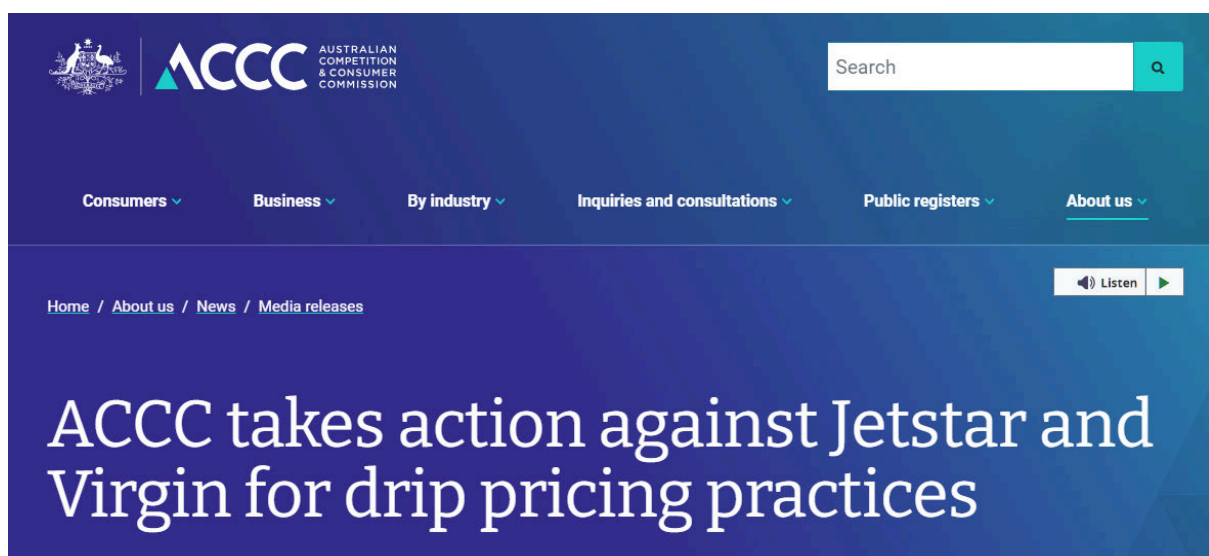
Because the fees are ~~usually~~ **almost never** indicated in advance...

Over the last few months almost all retailers have stopped showing the required signage.

And this lack of adherence is not policed...

The current surcharges system is tantamount to drip pricing...

... which is supposed to be illegal.



A nasty surprise - most of the time - because...

Most businesses don't bother with signs anymore

Here is one clear example in Sydney CBD, but in reality most businesses no longer display any warning about card surcharges.

Enacon Pty Ltd
2 Cathedral St, Sydney NSW 2000

No indication of surcharges prior to entry to the car park, only when it finally comes to pay

I made a complaint to staff who said it was normal and no reply was received to a complaint I made to ACCC.

Sat & Sunday Rates - "\$15 Flat Rate"

"All parking rate include the state Govt parking levy & Federal Govt 10% GST"



No notification on the way in



Insert ticket - still \$15



"Flat Rate \$15.43" doesn't sound so good does it?



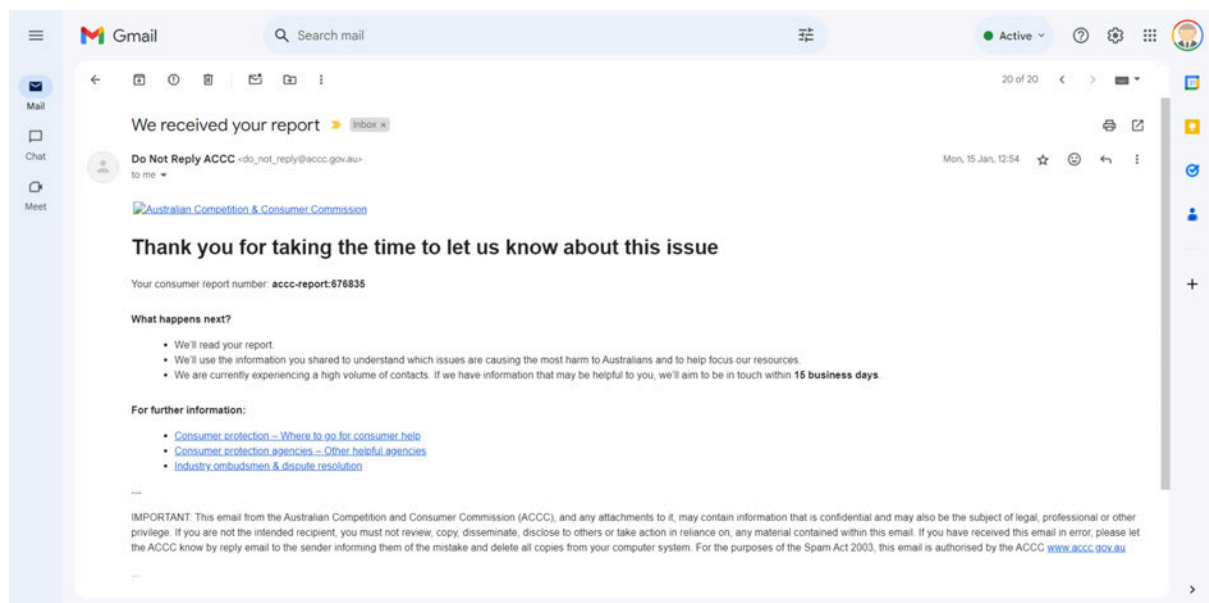
ACCC does nothing

Complain to the businesses, wait, hear nothing and then complain to the ACCC, wait, and hear nothing

Not only does the ACCC not police the existing signage requirements,

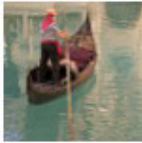
It does not even reply when you make a complaint

Eg 15 January 2024:



Tourists hate surcharges

“Is this legal?”



roxyrooms
London, United Kingdom

427 posts

Percentage added on for using credit cards

1 year ago

Save

I have been making hotel and restaurant reservations for our upcoming trip.

Far from all, but some places mention a fee for paying by credit cards.

I notice several smarter restaurants in both [Perth](#) and Margaret River area say something at the bottom of their menu or when you try to book a table. Here's a quote from one such menu:

"please note surcharges/ visa credit 1.5% / visa debit 1%/mastercard credit 1.5% / mastercard debit 1%/amex 2%"

I saw similar on the website of an American chain hotel and a similar warning is also on the websites of [booking.com](#) and [hotels.com](#) when you look at room prices.

Is this legal? I thought one of the joys of visits to [Australia](#) is whatever price you see is what you pay, always.

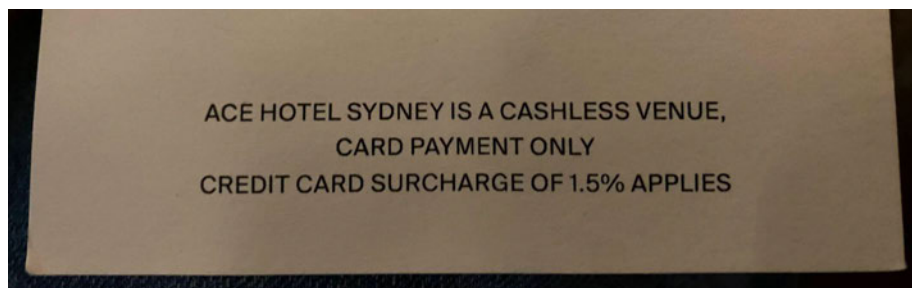
Your thoughts would be appreciated.

Reply

Report inappropriate content

Utter confusion

My email of 28 September 2024 to Ace Hotel
47-53 Wentworth Ave, Sydney NSW 2000



Attn: General Manager

Hi Ace Hotel Sydney,

We were in your bar last night and noticed the attached surcharge notification on the menu:

"Ace Hotel Sydney is a cashless venue. Card payment only. Credit card surcharge of 1.5% applies"

The ACCC website is very clear about this - surcharges cannot be added if card is the only way to pay:

"If there is no way for a consumer to pay without paying a surcharge, the business must include the surcharge in the displayed price."

Link

<https://www.accc.gov.au/consumers/pricing/card-surcharges>

Could you confirm you've abolished your card surcharges and consider refunding the ones you've been taking within the next fourteen days?

REPLY - Wed 2 Oct 2024

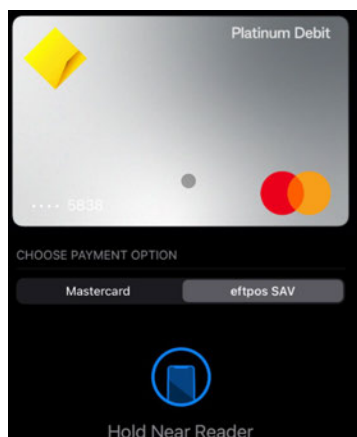
Hi Julian,

Thank you for your taking the time to write to us about the credit card charges and for being a guest in our bar, we appreciate your business.

When we established the business model for the hotel nearly three years ago we wanted to be a cash free venue due to many factors involved with cash handling procedures and the

convenience for guests to pay electronically. As such we investigated what were the legal and operational obligations and requirements involved to do this.

You are 100% correct, it is illegal to impose credit card charges, if this is the only payment option. Therefore at any payment transaction we ensured there are always two options to pay: 1. Credit Card which attracts a surcharge and 2. EFTPOS that is a free payment option available via the same transaction terminal. Both options are available and the credit card charge is a widely accepted standard practice in most businesses throughout Australia. See below the screen shot of both payment options.



Making guests aware of the methods of payment available and of any credit card charges is also a legal requirement for any transactions which is why, as you observed, we publish notification that we only accept payment by card and the credit card charge on our menus and points of payment throughout the property.

Ace Hotel Sydney is a cashless venue. Card payment only. Credit card surcharge of 1.5% applies"

Your email has prompted us to consider that we have always assumed people know that Debit Cards don't attract fees, because the payment is immediate and the money comes directly from the guest's account. Perhaps there are guests who are not aware that Debit Cards do not attract charges and thereby could avoid the 1.5% credit card charge. This has definitely given us pause for thought and will consider the need to adapt any future messaging or staff training requirements to communicate this.

I hope this email has assured you that our current practices are compliant with Australian law and our intentions are to ensure our guests are informed of all potential charges.

It would be great to see you return and I'll even buy you a beer for taking the time to write and thus causing us to consider options to improve communications.

Best
RUSSELL DURNELL
GENERAL MANAGER, ACE HOTEL SYDNEY

Surcharges are increasing

For example:

Menzies Bar, Shell House,
37 Margaret Street, Sydney NSW 2000

Paying with the same credit card, same venue and
same payments platform - Tyro. The credit card
surcharge has INCREASED from 1.5% to 1.9%

16 May 2023
Via Tyro - **1.5%**

16 October 2024
Via Tyro - increased to **1.9%**



Businesses are scamming consumers

Widely reported that businesses are receiving extra benefits and passing these on as card surcharges.

Small businesses are hitting customers with far higher debit and credit card surcharges than needed, and are rewarded with Qantas Frequent Flyer points for their trouble

<https://www.afr.com/companies/financial-services/businesses-pass-on-higher-fees-to-customers-for-qantas-points-20241010-p5kh89>

Businesses pass on higher fees to customers for Qantas points



Lucas Baird
Reporter

Oct 14, 2024 - 12.45pm

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Small businesses are hitting customers with far higher debit and credit card surcharges than needed, and are rewarded with [Qantas Frequent Flyer](#) points for their trouble, under a model pioneered by a company that was once spun out of financial services giant Macquarie.

The conglomerate founded Live Payments in 2006 but sold it just two years later. Live Payments leases payment terminals to small businesses and taxi drivers that charge higher processing fees based on how many Qantas points they want to earn using its systems.

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Updated: Oct 18, 2024 - 1 mins delayed.

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