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**Telephone:** (07) 3917 0414  
**Facsimile:** (07) 3917 0549  
**E-mail:** [LAQ-CEO@legalaid.qld.gov.au](mailto:LAQ-CEO@legalaid.qld.gov.au)

Head of Payments Policy Department  
Reserve Bank of Australia  
GPO Box 3947  
SYDNEY NSW 2001

By email only: [pysubmissions@rba.gov.au](mailto:pysubmissions@rba.gov.au)

Dear Sir/Madam,

### **Reserve Bank of Australia - Review of Card Surcharges**

Legal Aid Queensland (LAQ) welcomes the opportunity to respond to the Reserve Bank of Australia's consultation paper concerning the review of retail payments regulations.

#### **Introduction**

LAQ provides input into State and Commonwealth policy development and law reform processes to advance its organisational objectives. Under the *Legal Aid Queensland Act 1997*, LAQ is established for the purpose of *"giving legal assistance to financially disadvantaged persons in the most effective, efficient and economical way"* and is required to give this *"legal assistance at a reasonable cost to the community and on an equitable basis throughout the State"*. Consistent with these statutory objects, LAQ contributes to government policy processes about proposals that will impact on the cost-effectiveness of LAQ's services, either directly or consequentially through impacts on the efficient functioning of the justice system.

LAQ seeks to offer policy input that is constructive and is based on the extensive experience of LAQ's lawyers in the day-to-day application of the law in courts, tribunals, and Ombudsman schemes. LAQ believes that this experience provides LAQ with valuable knowledge and insights into the operation of the justice system that can contribute to government policy development. LAQ also endeavours to offer policy options that may enable government to pursue policy objectives in the most effective and efficient way.

LAQ's Civil Justice Services - Consumer Protection lawyers have extensive experience providing specialist advice and representation to vulnerable clients with legal issues related to consumer law. The lawyers provide advice to clients as well as other lawyers and financial counsellors throughout Queensland in relation to insurance, mortgage stress, housing repossession, debt, contracts, loans, telecommunications, and unsolicited consumer agreements.

#### **Submission**

LAQ welcomes the review of card surcharges and provides the following observations:

- One card surcharge on its own is not a significant impost on consumers. However, in the ever-increasing digital economy, most people make multiple card transactions each week. Consumers on lower incomes are losing a significant percentage of their income in card surcharges across all types of cards.

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- There is less reliance on cash which has increased the number of card transactions all consumers are making.

LAQ supports the proposal in the consultation paper to remove card surcharges because:

- It will reduce the current costs being placed on consumers overall but will particularly benefit those with lower incomes.
- In the current cost of living crisis, it will provide additional funds to consumers who are struggling.

However, for this initiative to practically work, it is important that the inter change fees charged to all businesses are reduced, so that small business is not left bearing the cost of these transactions which could then ultimately be passed onto consumers.

Should you require any further information, please do not hesitate to contact our Principal Lawyers for Strategic Policy, Jessica Dean and Kyle Terrance, by telephone on (07) 3917 0410 or by email via [laqpolicy@legalaid.qld.gov.au](mailto:laqpolicy@legalaid.qld.gov.au).

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Nicky D.', followed by a long horizontal flourish.

Nicky Davies  
Chief Executive Officer  
Legal Aid Queensland