Pyng Submission to the Reserve Bank of Australia

Review of Merchant Card Payment Costs and Surcharging – Consultation Response
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Executive Summary

Pyng welcomes the Reserve Bank of Australia's proposed reforms and strongly supports the removal of surcharging, the simplification of scheme fees, and the improvement of cost transparency across the payments ecosystem. These changes are not only aligned with the RBA's objectives of promoting competition, efficiency, and safety, but they also represent a critical opportunity to restore trust in digital payments and empower small businesses—particularly cafés, QSRs, and local retailers—to thrive in a fairer, more transparent environment.

Response to Consultation Questions

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.

Pyng fully supports the removal of surcharging on designated card networks. This reform directly advances the RBA's goals by fostering a more competitive and efficient payments system. The current system where surcharging is allowed has seen small businesses become apathetic to changes in payment technology and most do not see this as an issue to be resolved and/borne by the merchant. This has led to a lack of innovation in the payments sector. It has also led to an inclusion of various other services being bundled into payment fees. We strongly support the ban on surcharging as we believe this will result in small businesses being open to exploring and adopting alternatives and innovating in this space. From a public interest perspective, surcharges disproportionately impact low-income consumers and small merchants, often creating friction and undermining trust in card payments. Pyng's zero-surcharge model has already demonstrated strong merchant and consumer satisfaction, reinforcing the value of this policy direction.

Q6: Does the proposal for card networks to work with industry to reduce the complexity and improve the transparency of their scheme fee schedules enhance the competitiveness and efficiency of the card payments system?

We strongly endorse the proposal to simplify and standardize scheme fee schedules. The current complexity of these schedules creates significant barriers for small businesses, who often lack the resources to interpret or compare fee structures across providers. By introducing clearer, more consistent fee disclosures, the RBA can enable merchants to make informed decisions, reduce onboarding friction, and encourage healthy competition among acquirers. Pyng recommends that these schedules be co-designed with input from SME representatives to ensure they are both usable and relevant.

Q7: Does the proposed expectation on scheme fees achieve the RBA's objectives of competition and efficiency in the payments system?

While the proposed expectations on scheme fees are a positive step, Pyng believes they may not be sufficient to drive meaningful change across the industry. Voluntary compliance can be slow and uneven, particularly among larger incumbents. Small businesses, in particular, lack the leverage to challenge opaque or excessive fees. To ensure that expectations translate into real outcomes, we recommend the introduction of enforceable standards or reporting obligations that hold scheme operators accountable.

Q8: Should the PSB consider further regulatory measures in relation to the level of scheme fees to promote competition and efficiency in the payments system?

Pyng supports the consideration of additional regulatory measures to address the level and structure of scheme fees. These could include tiered fee models that reflect merchant size and transaction volume, caps on bundled or non-transparent fees, and mandatory disclosure of individual fee components. Without such interventions, scheme fees risk becoming a hidden tax on small business growth, undermining the very competition and efficiency the RBA seeks to promote.

Q9: Does the proposed requirement for acquirers to publish their merchants' cost of acceptance enhance competition and efficiency by helping merchants search for a better plan?

We support the RBA's proposal for acquirers to publish merchant cost of acceptance data. This initiative will enhance competition by empowering merchants to compare pricing and switch providers more easily. Pyng believes the proposed size threshold for acquirers is appropriate, provided it captures the majority of market activity without overburdening niche players. The breakdown of data by merchant size and card type is particularly valuable, as it enables SMEs to benchmark their costs more effectively. A quarterly publication schedule strikes a good balance between timeliness and operational feasibility, and we believe an implementation timeline of six to nine months is both realistic and achievable. Pyng already provides real-time cost visibility to its merchants and supports broader adoption of this standard.

Q10: Does the proposal to amend the cost of acceptance reporting on merchant statements to include a breakdown for domestic and international cards promote competition by helping merchants receive more information about the fees they pay? Is there a public interest case to exempt taxi fares from this requirement?
Pyng supports the proposal to amend merchant statements to include a breakdown of costs for domestic and international cards. This change will improve transparency, help merchants understand the drivers of their payment costs, and inform better routing and acceptance decisions. We do not see a compelling public interest rationale for exempting taxi fares from this requirement. Uniform standards should apply across sectors to ensure consistency and fairness.

Q12: Does the PSB's preferred package meet its objectives of competition, efficiency and safety in the payments system? Are there any variations to the package that the PSB should consider that would yield higher net public benefits? Is there any additional evidence that the RBA should consider before finalising its decision?

We broadly support the Payments System Board's preferred reform package. It aligns with Pyng's mission to simplify payments and eliminate hidden costs for small businesses. To maximize public benefit, we recommend that the package include SME-specific protections, streamlined onboarding processes, and incentives for zero-cost acceptance models. Enforcement mechanisms should also be built in to prevent circumvention or delay. Pyng's merchant data shows strong uptake and satisfaction when surcharges are removed and costs are made transparent, reinforcing the value of these reforms.

Q13: What is your feedback on the proposed implementation timeline for these reforms?
While ambitious, the proposed implementation timeline is achievable. Success will depend on early engagement with acquirers and scheme operators, the provision of clear

technical standards, and coordinated merchant education campaigns. Pyng is well-positioned to support rollout through its platform, merchant network, and communications channels.

Closing Statement

Pyng stands ready to collaborate with regulators, acquirers, and industry stakeholders to build a payments ecosystem that is fair, transparent, and inclusive. We urge the RBA to prioritize reforms that deliver real value to small businesses and restore trust in digital payments.

Signed:

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