



Reserve Bank of Australia's Review of  
Merchant Card Payment Costs and  
Surcharging – July 2025 Consultation Paper  
**Worldpay Response**

August 26, 2025

## Overview

Worldpay broadly supports the Reserve Bank of Australia (RBA)'s goals with the present [proposal](#), and recommends a measured, evidence-based approach to payments system reform, emphasizing the importance for the RBA to take into account the complex nature of the payment ecosystem when considering regulatory intervention, to prevent or minimize unintended effects for consumers, merchants and the industry.

Worldpay's stances on the present proposal can be summarised as follows:

- **Support for lifting 'no-surcharge' prohibitions:** Worldpay believes this would benefit consumers and merchants, especially small and medium businesses, but cautions that regulatory changes should only occur in response to clear market failures and be proportionate and outcome-driven.
- **Preference for industry-led collaboration:** Across multiple proposals—particularly those relating to scheme fees, transparency, and complexity—Worldpay recommends industry coordination with RBA's support rather than direct regulatory intervention, to ensure reforms are practical and flexible.
- **Concerns about aggregate data publication:** Worldpay opposes mandatory publication of aggregate fee or cost data, unless there is clear evidence that the potential benefits outweigh operational burden and limited practical value to merchants.
- **Emphasis on simplicity, predictability, and transparency:** Worldpay supports the need for clear, actionable information on costs and fees, especially for small and medium merchants, while recognizing the important difference between international card schemes and domestic card schemes in the range of services provided and, accordingly, the level of complexity.
- **Call for realistic implementation timelines:** Worldpay urges the RBA to set practical timelines for reform, with ongoing industry consultation to avoid excessive operational disruption and ensure effective adoption.

- **Need for ongoing review of regulatory intervention and stakeholder engagement:** The rapidly evolving payments landscape requires periodic reassessment of rules and policies to maintain alignment with market developments and merchant needs.
- **Support for Least Cost Routing (LCR) and enhanced reporting:** Worldpay agrees with maintaining expectations-based guidance for LCR and supports improved fee breakdowns on merchant statements, provided they deliver clear value.

## Response

### **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? Are there additional public interest considerations?**

Worldpay generally supports the PSB's proposal to lift the prohibition on 'no-surcharge' rules for the designated debit, prepaid and credit card systems (eftpos, Mastercard and Visa). Worldpay believes that this measure would be well perceived by consumers and could be beneficial for merchants, particularly for small and medium-sized merchants.

In terms of other public interest considerations, Worldpay notes that the payment services industry is a global technology-based industry with a complex ecosystem of players and partnerships, that continues to rapidly evolve. The current reconsideration of provisions giving merchants right to surcharge, which was initially perceived as beneficial to merchants, is indicative of the high level of complexity and caution that should be exercised when undertaking regulatory intervention into the payment services industry.

Worldpay is of the view that regulatory intervention into this industry should only be undertaken where there is clear evidence of market failure. Any such intervention that is then undertaken should be proportionate, supported by strong market evidence, and outcome-focused (i.e. delivering overall clear material improvement in competition, efficiency and safety outcomes within the payments system).

Finally, to try to minimise the impact of unintended side effects, the regulatory framework should have flexible mechanisms to periodically review the effectiveness of existing rules against its intended policy outcomes and the evolution of the market (e.g., consumer habits, merchants' demand, new technologies, payment innovations).

**Q2: Do the proposed changes to interchange regulation promote the public interest by improving competition and efficiency in the payments system?**

Worldpay has no comment on the interchange fee cap reforms proposed by the PSB.

**Q3: Are there further considerations for smaller issuers that the RBA should take into account to enhance competition and efficiency in the payments system?**

Worldpay has no comment on this issue.

**Q4: Do the proposed changes to the net compensation provisions effectively achieve the RBA's objectives and promote the public interest? Will Australian issuers sponsored by overseas entities be able to comply with the changes?**

Worldpay does not have direct involvement in net compensation provisions or issuer compliance. We recommend the PSB consult with affected issuers, including those sponsored by overseas entities, to ensure practical compliance and avoid market disruptions.

**Q5: Does the proposal for card networks to publish aggregate wholesale fee data achieve the RBA's objectives of improving competition and efficiency among the card networks? Does the proposal adequately balance information needs with commercial concerns?**

Worldpay opposes the publication of aggregate fee data.

Whilst such information may be of value to regulators and policymakers, Worldpay considers that the 'market intelligence' value gained from such information by merchants will be limited in practice. There is a wide variety of circumstances that affect the ultimate

total merchant service charge paid by any individual merchant, which could be significantly outweighed by the increased regulatory burden imposed with this proposal.

PSPs and merchants, particularly small and medium sized merchants, are instead expecting further certainty and predictability as to what their actual input costs will be in their individual cases.

Worldpay believes that regulators and policymakers already have the necessary tools or powers to obtain the data they need, without disrupting the broader ecosystem for changes that may be unwarranted.

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

Worldpay generally supports efforts to reduce complexity and improve transparency in interchange and scheme fees.

Simpler fee schedules and clearer information improve the predictability of the input costs that make up the majority of the cost of payment acceptance to the merchant. Ultimately, this could improve competitiveness and efficiency in the market as PSPs should have more capacity to predict their costs and adjust their pricing schedules to merchants.

At the same time, it is fundamental to acknowledge that the international card schemes generally provide a wider range of products and services than domestic card schemes (e.g., Eftpos). This may explain the greater complexity of fees imposed by international schemes and any efforts to improve transparency of fee should take into consideration the inherent complexity of products and services. We consider that such efforts should be done with constructive coordination with industry players who have a good understanding of this complexity and can support the RBA's goals.

Worldpay considers that this development would be significantly more beneficial to merchants and, ultimately, consumers than the publication of aggregate data by the RBA.

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

Worldpay supports the proposed introduction of an 'expectation' from the PSB that scheme fees should not rise without clear explanation, based on cost or quality. Justification, being given to PSPs and issuers.

Worldpay notes that the payment services industry is a global technology-based industry with a complex ecosystem of players and partnerships, that continues to rapidly evolve. We thus consider that efforts to improve the way schemes explain fee changes to be done jointly with the industry and the support of the PSB, rather than via direct interventions and mandates.

We also consider that there may be benefit in this process being tied together with the proposed industry led process to reduce and simplify scheme fees (discussed at Q.6, above), so that efforts to improve transparency, and communications on fee changes, can be addressed via the same forum or process.

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

Worldpay would discourage the PSB to consider regulatory measures at this stage and recommend the proposed approach prioritising a collaborative industry led approach. Please see our responses to Q.6 and Q.7.

We reiterate Worldpay's view that any direct regulatory intervention should be carefully considered to avoid unintended consequences, such as increased complexity for merchants, or increased operational costs and reduced flexibility for PSPs.

Regular stakeholder engagement will be key to ensuring that measures support competition and efficiency without introducing unnecessary burdens.

**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? Feedback on size threshold, category breakdowns, publication frequency, and timeline.**

Worldpay's view is that the proposed obligation on large acquirers to publish their average costs of acceptance would be of limited utility to merchants and would be outweighed by the significant operational burden imposed upon those acquirers.

Technology platforms used for payment processing are complex, often operate across multiple jurisdictions, and may not have been designed to provide statistical reporting in a format or along the lines required by different regulators. The development and ongoing compliance costs in delivering and publishing certain statistics can be significant.

Worldpay is thus of the view that the 'market intelligence' value gained by merchants from the collation and publication of average costs of acceptance figures would be limited, given the wide range of factors that can affect the ultimate total merchant service charge paid by any individual merchant.

The specific price in itself isn't the only main factor for merchants when selecting a PSP as convenience, cost predictability and simplified pricing can also be determining particularly for small and medium merchants. Having a clear and predictable price is essential for businesses with sometimes limited cashflows and helps them to deal with the complex nature of payment processing.

Payment acceptance is not just a form of 'commoditised' service, undifferentiated except as to price. Many other factors are equally if not more important to a merchant when selecting a service provider, including authorisation rates (as authorisation failure leads to very high rates of uncompleted purchases), fraud prevention technologies (given that the cost of fraud typically falls on the merchant), service availability and technical service support levels. For larger merchants it is essential that their acquirer have the capacity to understand and tolerate their risk profile and the level of financial security/collateral.

Worldpay's view then is that the competitive benefits gained by merchants from the proposed publication of average cost of acceptance will be limited and is likely to be outweighed by increased operational and compliance costs including for acquirers. This unintended consequence would be misaligned with the desired outcome of the present proposal to reduce payment acceptance costs for merchants.

**Q10: Does the proposal to amend cost of acceptance reporting on merchant statements to include a breakdown for domestic and international cards promote competition? Is there a public interest case to exempt taxi fares?**

Worldpay supports enhanced reporting that helps merchants understand their fees, provided the information is clear and actionable.

A breakdown for domestic and international cards can be useful for merchants, particularly given that international card transactions typically come with higher interchange and scheme fees and can make up different proportions of overall transactions for merchants in differing circumstances.

Worldpay has no comment upon the issue of the treatment of taxi fares.

**Q11: Are there any changes that should be made to the RBA's existing industry expectation on LCR implementation to improve competition and efficiency in the debit card market?**

Worldpay supports LCR as a driver for further choice and cost optimization for merchants.

Given the high penetration of LCR so far, Worldpay agrees with the views expressed in the consultation paper in favour of the RBA continuing to rely upon its setting of 'expectations' in order to guide the industry, rather than introducing any direct regulation imposing LCR.

**Q12: Does the PSB's preferred package meet its objectives of competition, efficiency and safety? Are there any variations or additional evidence the RBA should consider?**

Overall, Worldpay believes the preferred package addresses key objectives.

We recommend ongoing stakeholder engagement and consideration of merchant diversity—especially small and medium businesses.

Any variations should prioritize simplicity, clarity, and realistic implementation timelines to maximize net public benefits.



**Q13: What is your feedback on the proposed implementation timeline for these reforms?**

Worldpay strongly urges the RBA to consider adequate and realistic implementation timelines.

Should the current proposals be implemented, significant operational adjustments will be required. Excessively short deadlines can result in industry pushback, higher costs, and reduced innovation.

We recommend direct consultation with industry stakeholders to agree on practical timelines. In particular, once the proposals that are to be implemented have been definitively decided upon, a further period of consultation to garner feedback from participants affected should be considered.

**Q14: Do the draft standards in Appendix D achieve the intended policy objectives? Are there factors that have not been properly addressed or considered?**

Worldpay supports the intent of the draft standards but recommends that the RBA continue to assess whether the standards strike the right balance between clarity, simplicity, and operational feasibility.

Special attention should be paid to the needs of smaller merchants and the risk of introducing complexity or burdens that outweigh the expected benefits.