



RESERVE BANK OF AUSTRALIA

# Review of Merchant Card Payment Costs and Surcharging

## Issuer Cost Study

Explanatory Notes and Templates

31 March 2026

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# The Issuer Cost Study

The RBA conducted an Issuer Cost Study as part of its Review of Merchant Card Payment Costs and Surcharging to inform policy decisions relating to the regulation of interchange fees. The RBA conducted two iterations of this study. The results from first iteration of the study were published in the Consultation Paper in July 2025,<sup>1</sup> and more detail was provided in a supplementary document in August 2025.<sup>2</sup> This document contains the explanatory notes and the data templates used by issuers for this second iteration of this study. The finalised results of the Issuer Cost Study are featured in the Conclusions Paper to this Review.<sup>3</sup>

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<sup>1</sup> See RBA (2025), 'Review of [Merchant Card Payment Costs and Surcharging](#)', Consultation Paper, July.

<sup>2</sup> See RBA (2025), '[Issuer Cost Study: Review of Merchant Card Payment Costs and Surcharging](#)', August.

<sup>3</sup> See RBA (2026), '[Review of Merchant Card Payment Costs and Surcharging](#)', Conclusions Paper, March.

# Domestic Card Issuing Cost Study

## Explanatory notes

### Overview

The RBA is seeking to identify the costs for issuers associated with issuing payment cards and processing card payment transactions in Australia. Along with other major financial institutions, your involvement in the project will help inform the RBA's review of interchange regulation as part of the Review of Retail Payments Regulation.

We are interested in the costs to issuers of consumers making payments using the following card payment types:

- Personal domestic credit card transactions (MasterCard and Visa)
- Personal domestic debit card transactions (MasterCard, Visa and eftpos)
- Commercial domestic debit (Mastercard, Visa and eftpos)
- Commercial domestic credit card transactions (MasterCard and Visa)
- Domestic personal prepaid card transactions (MasterCard, Visa and eftpos)
- Domestic commercial prepaid card transactions (MasterCard, Visa and eftpos).

This request is designed to collect long-run average cost information and we appreciate efforts to allocate costs across card payment types where they apply to multiple card payment types, as well as other payment methods. This information will allow us to analyse the resource costs of different card payment types.

These explanatory notes set out some general guidelines and then follow the structure of the templates. Please feel free to contact us if you have any questions regarding the templates.

## General guidelines

This section provides general guidance that is relevant for completing the cost templates.

- **Sectoral classification:** We have separated personal and commercial cards, as well as prepaid cards. Please refer to the definitions adopted in the [Explanatory Notes for Completing Retail Payments Statistics Forms](#).
- **Reporting period:** the most recent twelve-month financial reporting period for which your institution has data.
- **Scope:** data as appropriate relating to domestic transactions only.
- **Total costs and fees:** where possible, complete *all* cost sub-categories in the templates. If the costs within some sub-categories cannot be completed, record the total costs of a payment-related activity. Where resource costs are difficult to measure, we can accept estimates based on prices paid for services, rather than measuring costs incurred by the service provider. Please also record whether any fees paid are inclusive or exclusive of GST.
- **Accounts** only refers to relevant deposit/transaction, credit card, and prepaid card accounts that enable payment card transactions. Please do not report costs for any other accounts that are not linked to those that enable card transactions.
- **Account set-up, overheads and maintenance:** We have included guidance in the section below on which general costs associated with account set-up, overheads and maintenance need to be apportioned across the different card payment types.
- Please report each of the following costs as part of the costs associated with each functional category, apportioned appropriately:
  - **Labour/employee costs:** employee costs should be broadly defined and include all wages, training, benefits and other costs.
  - **Operational costs:** costs incurred in maintaining and operating the current system, including replacing components, security, problem fixes and other maintenance costs that are treated as current costs for accounting purposes.
  - **Investment costs:** costs incurred making significant improvements to features or capacity of the system. These costs are normally capitalised and may well be project based. The current period costs of such expenditure are calculated by amortising the capitalised cost of the project over its expected lifetime. The current period (i.e. amortised) costs should be reported here. **Sunk costs** that have been fully written off should be ignored.
- **Joint/common costs:** several of the costs identified in the templates will be common to several card payment types (i.e. need to be apportioned to more than one card payment type). Joint costs should be allocated using an appropriate activity-based cost driver. Please indicate how these costs have been allocated and the cost driver employed. Examples of cost drivers include the number or value of transactions for each card payment type, the proportion of staff time spent on a particular activity, etc. Where it is not possible to apportion these costs using an appropriate activity-based cost driver and assumptions need to be made, please outline the assumptions and methodology adopted. Where it is not possible to apportion these costs across the different card payment types at all, please provide the aggregated cost and identify the card payment types those costs have been allocated to.
- **Float and cost of capital:** please indicate how calculations have been made for any float costs and cost of capital.
- **Number and value of transactions:** please report the number and value of transactions for the relevant period. Please ensure that the number/value of payments is consistent with the coverage of the associated costs information. Please report transactions net of reversals.

- **Fraud rates:** please report the rate of fraudulent transactions, calculated as both the number and value of fraudulent transactions perpetrated on the relevant card type as a percentage of the total number/value of transactions for that card type, for the relevant period. Please report both gross and net fraud.
- **Double counting:** please ensure that costs are not double counted in the different cost categories, particularly when allocating across different form factors or payment initiation methods.
- **Not applicable:** Please indicate where any costs are not relevant to your business.
- **Comments:** If there is insufficient room in the template for comments or details explaining cost estimates please provide a separate word document.
- **Further definitions:** For any further definitions requiring clarification, please refer to the definitions adopted in the [Explanatory Notes for Completing Retail Payments Statistics Forms](#).

## Templates 1, 2 and 3: Card payments – issuers

This section provides guidance on the categories to be completed for the costs incurred by issuers of cards (credit cards, scheme debit, and eftpos). These costs can be broken down into 12 broad categories: 1) account set-up, overheads and maintenance, 2) card production and delivery, 3) authorisation and transaction processing, 4) fees paid to mobile wallet providers, 5) product development, 6) cardholder reward programs, 7) disputes, chargebacks and write-offs, 8) fraud, 9) cost of funds, 10) cost of capital, 11) net scheme fees, and 12) other fees.

Please indicate how joint/common costs have been allocated and the cost drivers employed.

**Account set-up, overheads and maintenance** comprises the costs of setting-up and maintaining relevant deposit/transaction, credit card and prepaid card accounts that enable the payment card transaction types identified. This could include: 1) systems and IT, 2) account product development, 3) marketing, 4) application processing and set-up, 5) receipt and processing of electronic credits to account, 6) internet banking, 7) telephone banking, 8) statement production and distribution, 9) general customer service, 10) general account management, 11) insurance and 12) other.

Please apportion these joint/common costs as appropriate to each card payment type identified (the vertical columns in each of the templates). **Indirect costs that are not specifically related to a card payment type, such as general corporate overheads, should not be included.**

We do not require reporting for the costs of account set-up, overheads and maintenance that would be apportioned to other payment methods such as account-to-account transfers, cheques or over-the-counter services, etc. However, identification of such costs for other payment methods may be required in order for your institution to conduct the appropriate apportionment for the requested card payment types.

We provide additional guidance on for each identified sub-category below:

Systems and IT (excluding Internet and Telephone banking) includes all costs relating to the operation, development and maintenance of systems and IT which support account infrastructure in each of the following functional areas:

- Product development and marketing
- Application processing and set-up
- Receipt and processing of electronic credits to accounts (excluding over-the-counter cash and cheque deposits)
- Statement production and distribution
- General customer service
- General account management
- Other general account infrastructure.

Systems and IT costs relating to Internet banking and Telephone banking should not be double counted here. System and IT costs related to other cost categories, such as authorisation and transaction processing, should not be double counted here.

Account product development comprises the development of account products, including account design, development and launch. It excludes card design and specifications which are for fraud prevention or management.

Marketing involves costs associated with the solicitation of prospective account holders and costs associated with encouraging existing account holders to remain customers or open further accounts. Costs may include:

- Developing and implementing marketing programs for the relevant account
- Developing, producing and distributing account marketing materials to target new account holders

- Payments to third party agencies assisting with account marketing activities
- Performance monitoring of account marketing programs
- Customer retention programs
- Repricing.

Application processing and set-up includes:

- Account application processing
- Reviewing applications
- Receiving and entering new account information into systems
- Storage of applications
- Processing enquiries relating to the state of applications still being processed
- Responding to new account holders with account documentation (excluding cards, PINs or cheque books)
- Responding to rejected applications
- Screening applications for application fraud.
- Credit evaluation. This is only applicable to credit card accounts. It includes:
  - Purchasing pre-screened/pre-approved lists from credit agencies
  - Conducting credit evaluations
  - Setting credit limits
  - Reviewing applications for changes in credit limits
  - Responding to applications for changes in credit limits
  - Responding to enquiries relating to the state of credit limit change applications still being processed.

Please do not include any agency fees paid to third parties (e.g. Australia Post) for the creation of relevant accounts in this category. These can be separately identified in the residual category 'Other' below.

Receipt and processing of electronic credits to relevant accounts (excluding over-the-counter cash and cheque deposits) includes all costs (other than systems and IT costs) related to the receipt and processing of funds credited electronically to relevant accounts. Please exclude all cash and cheque deposits made over-the-counter at financial institutions or agencies. Costs captured here include:

- The acceptance of electronic deposits including inter and intra financial institution transfers (excluding over-the-counter deposits)
- The posting of all deposits/credits to the account (excluding over-the-counter deposits)
- The posting of interest payments to deposits accounts (credits only)
- Reconciling deposits with the daily customer balances.

For credit cards this includes the receipt, processing and posting of cardholder payments to the cardholder's account.

Internet banking (including systems and IT) is a system of banking in which customers can obtain their account details, pay bills, transfer money, and perform other account related tasks by means of the Internet, including through mobile devices and apps. Costs captured here should include:

- Systems and IT costs specific to Internet banking
- Internet banking management costs
- Costs specific to mobile app services.
- Other direct Internet banking costs.

Telephone banking (including systems and IT) is a system of banking in which customers can obtain their account details, pay bills, transfer money, and perform other account related tasks by calling a telephone number. Costs captured here should include:

- Systems and IT costs specific to Telephone banking
- Telephone banking management costs
- Other direct Telephone banking costs.

Statement production and distribution is the generation and sending of statements (both physically and electronically) to account holders. It includes:

- Producing and archiving statements
- Delivering statements
- Managing address changes on returned statements.

General customer service includes all costs arising from the receipt and processing of account holder-initiated enquiries and requests.

Typical activities that are part of this category include:

- Name and address changes
- Balance enquiries (excluding via ATM)
- Account fees and interest charge enquiries
- Password changes
- PIN changes (excluding via ATM)
- Account closure
- Complaints related to the account (other than complaints related to a specific payment instrument)
- Transferring account holder enquiries to other departments and/or specialist response centres (e.g. fraud, credit assessment, credit collections, etc)
- Predictive information (non-statement) services that anticipate an account holder's enquiries and respond with information before an enquiry is made (e.g. text messages that are sent to an account holder when they are near their credit limit)
- Other general account enquiries.

Costs that should not be double counted in this category are costs associated with:

- The reporting of lost and stolen cards (reported as part of the Fraud category)
- Enquiries related to voucher retrieval requests and chargeback processing (reported as part of the Net Disputes and Chargebacks category)
- Enquiries related to the state of account applications
- Enquiries related to the state of credit limit change applications
- Fraud enquiries
- Disputed transactions
- Credit assessment enquiries
- Credit collection enquiries (reported as part of the Credit Collections and Write-offs category).

General account management includes the administrative and managerial activities involved in providing a deposit/transaction account business, a credit card account business or a prepaid card account business.

Activities may include:

- Deposit/transaction account services management, credit account services management or prepaid account services management

- Strategic planning and development related to the deposit/transaction account products, credit account products or prepaid account products
- The preparation and dissemination of management information which is used as an input in management decisions related to account products.

Where these are joint costs, please apportion costs based on the proportion of staff time spent on each activity.

Insurance (net of claims) includes any insurance costs (net of successful claims) for fraud and theft related to payment activities.

Other is a residual category. Please record and specify all other costs associated with general account infrastructure. This might include any general compliance costs (e.g. for anti-money laundering (AML)).

Please separately identify in this section any agency fees paid to third parties (e.g. Australia Post) for the creation of relevant accounts. Please do not include any other agency fees (e.g. those for cash withdrawals).

**Card production and delivery** includes both newly issued and re-issued cards, and covers all aspects from the cards' production to the cards' arrival in the hands or digital wallets of the cardholder (including costs related to card dispatch and postage, and to the issuance and provisioning of tokens for digital cards). However, it excludes card design features that relate to fraud prevention (e.g. hologram and chip), as well as additional costs associated with tokenisation separate to the issuance and provisioning of tokens, such as lifecycle management (these are included in the 'Fraud' category below). Please report card production costs separately for two different types of cards:

1. *Physical cards*
2. *Digital cards* – to the extent there are any additional costs to the issuance of a physical card, or any costs specific to digital-only cards.

**Authorisation & transaction processing** reflects the issuer costs incurred in providing authorisation, clearing, posting, and settlement of card transactions. We ask that you only include costs related to:

- Receiving and processing authorisation requests (including voice authorisations)
- Receiving and responding to referral enquiries
- Investigating and processing exception transactions necessary to complete or correct a valid transaction
- Maintaining and updating authorisation files
- Clearing, posting to cardholder accounts, reconciliation, and settlement processing
- Scheme compliance directly related to authorisation, clearing/posting, and settlement.

We ask that you exclude costs related to:

- 'Reverse' interchange fees for cash-out or ATM withdrawals.
- Retrieval requests, chargeback processing, representments, and write-offs (reported in other categories)
- Core IT costs attributable to account set-up, overheads and maintenance (reported in other categories)
- Fees paid to mobile wallet providers (reported in other categories)
- Broader cardholder servicing such as statementing
- Scheme fees related to authorisation and processing (reported in other categories)
- Tokenisation/digital wallet enablement activities and vendor costs.

Please report authorisation and transaction processing costs for four different types of transactions, where possible:

1. *Physical card transactions* – whether contact or contactless.
2. *Mobile wallet contactless transactions* – where the customer 'taps' the mobile to the terminal.
3. *Mobile wallet online* – where the customer makes a device-not-present transaction using a mobile wallet.

4. *Online (excluding mobile wallet)* – where the customer makes a device-not-present transaction such as through a website, excluding mobile wallet transactions.

**Fees and other costs associated with mobile wallet providers** includes any fees paid directly to mobile wallet providers for transactions initiated through their mobile wallets, whether charged on a per-account or per-transaction basis, and whether in-person, in-app or online; and any additional costs occasioned by or due to or connected to providing mobile wallet payments (for example marketing, project and usage fees).

**Product development** comprises the development of products that are specific to a scheme or card payment type. Please exclude any product development costs already reported under ‘fraud’.

Please report product development costs for the three different types of transactions identified in the template, where possible.

**Cardholder reward programs** includes:

1. *Operating costs*. This includes:
  - (a) The development and implementation of cardholder reward programs.
  - (b) The monitoring and ongoing costs of running cardholder reward programs.
2. *Rewards*. This includes the purchase of loyalty points, partner payments and cash payments to cardholders.
3. *Travel insurance*. This includes purchase of travel-related insurance offered to cardholders.
4. *Ticket offerings*. This includes purchase or provision of events tickets, early access or associated benefits.
5. *Rebates for corporate clients*. Where applicable, any rebates provided to corporate clients for card spend according to a contract.
6. *Other cardholder benefits*. Any other benefits that do not fall within the above categories.

Please report the cost of the five categories above separately.

**Net disputes and chargebacks (excluding write-offs)** includes the net administrative costs of managing, processing, and resolving disputes and chargebacks, after deducting any fees received from merchants for these services. Please exclude chargeback write-offs, credit write-offs, credit collection costs, and fraud losses.

**Net chargeback write-offs** is the net amount written off as chargeback losses.

**Credit collections and write-offs** includes costs associated with minimising and recovering outstanding balances on delinquent and written-off accounts, the net amount written off as bad debt losses (excluding fraud losses), and costs associated with customer enquiries related to credit collections.

**Fraud** includes:

- Net losses – this is the net amount written off as (card issuing) fraud losses after allowing for all recoveries.
- Prevention, monitoring, mitigation, investigation and remediation, including:
  - Card design and security features to reduce fraud (e.g. hologram, chip, tokenisation), and developing and maintaining systems and procedures for fraud prevention and detection.
  - Screening tools and practices.
  - Investigating, processing and managing cases of intentional card misuse.
  - Assisting and liaising with relevant parties for investigations related to card fraud
  - Scam related costs.
  - Card replacement costs where replacement is due to fraud
  - Scheme compliance directly related to measures specific to fraud mitigation
  - Customer enquiries relating to fraudulent transactions

Please exclude costs relating to:

- AML/CTF transaction monitoring
- Routine card production and delivery
- Statement production
- Credit underwriting
- Scheme fines and penalties
- Dispute handling/complaints bodies fees unless they are clearly tied to specific fraud remediation cases
- Broad risk and compliance activities not demonstrably targeted at card fraud prevention/detection.

Please report fraud costs for the different types of transactions identified, where possible.

**Cost of funds** is the cost to the issuer for funding interest free balances (in line with the credit card interchange costs calculations – refer pages 15-16 of '[Common Benchmark for the Setting of Credit Card Interchange Fees](#)').

**Cost of capital** includes:

1. *Cost of capital (credit risks)*: this is the cost of capital employed by the issuer to cover the credit risk associated with funding its outstanding credit card portfolio balances. Please note that this cost is only applicable to credit cards.
2. *Cost of capital (operating risks)*: this is the cost of capital employed by the issuer to cover operational risk. (If there are costs of capital associated with other factors please report separately with details).

Please report the cost of the categories above separately. Please specify how the costs for these categories are calculated, particularly any cost of capital not relating to credit or operating risk.

**Net scheme fees (total)** is the net fee paid to schemes for issuing activity, including any rebates and incentives received from schemes, but not revenue from interchange. If possible, please provide a breakdown for:

1. *Authorisation and transaction processing*
2. *Fraud investigation and prevention*
3. *Other.*

Please indicate if the fees reported are inclusive or exclusive of GST.

**Other** includes any card issuing costs not covered by the above categories. Please specify all costs included in this category.

# Templates – Issuer Costs

Table 1: Consumer card transactions

Period covered by costs information:	Domestic personal card transactions	
	MasterCard and Visa <i>credit</i> (incl. cash advances) Total (\$m)	MasterCard, Visa and eftpos <i>debit</i> Total (\$m)
<b>Account set-up, overheads and maintenance (to be apportioned)</b>		
Sub-categories 1 to 11		
Other (please specify)		
<b>Card production and delivery</b>		
Physical card		
Digital cards (i.e. provisioning costs)		
<b>Authorisation &amp; Transaction processing</b>		
Physical card		
Mobile wallet contactless (excluding DNP)		
Mobile wallet online (excluding DP)		
Online (excluding mobile wallet)		
<b>Fees and other costs associated with mobile wallet providers</b>		
<b>Product development</b>		
Physical card		
Mobile wallet		
Online (excluding mobile wallet)		
<b>Cardholder reward programs</b>		
Operating costs		
Rewards		
Travel insurance		
Ticket offerings		
Other cardholder benefits		
<b>Net disputes and chargebacks (excluding write-offs)</b>		
<b>Net chargeback write-offs</b>		
<b>Collections and credit write-offs</b>		

<b>Fraud</b>		
Physical card		
Mobile wallet contactless (excluding DNP)		
Mobile wallet online (excluding DP)		
Online (excluding mobile wallet)		
<b>Cost of funds</b>		
<b>Cost of capital</b>		
Credit risks		
Operating risks		
<b>Net scheme fees (total)</b>		
Authorisation and transaction processing		
Fraud investigation and prevention		
Other		
<b>Other (please specify)</b>		

**Transactions: Number and Value**

	Number (million) / Value (\$m)	Number (million) / Value (\$m)
Number of transactions		
Value of transactions		

**Net Fraud Rates**

DP transactions - As % of total number of transactions		
DP transactions - As % of total value of transactions		
DNP transactions - As % of total number of transactions		
DNP transactions - As % of total value of transactions		

**Gross Fraud Rates**

DP transactions - As % of total number of transactions		
DP transactions - As % of total value of transactions		
DNP transactions - As % of total number of transactions		
DNP transactions - As % of total value of transactions		

Table 2: Commercial card transactions

Period covered by costs information:	Domestic commercial card transactions	
	MasterCard and Visa <i>credit</i> (incl. cash advances) Total (\$m)	MasterCard, Visa and eftpos <i>debit</i> Total (\$m)
<b>Account set-up, overheads and maintenance (to be apportioned)</b>		
Sub-categories 1 to 11		
Other (please specify)		
<b>Card production and delivery</b>		
Physical card		
Digital cards (i.e. provisioning costs)		
<b>Authorisation &amp; Transaction processing</b>		
Physical card		
Mobile wallet contactless (excluding DNP)		
Mobile wallet online (excluding DP)		
Online (excluding mobile wallet)		
<b>Fees and other costs associated with mobile wallet providers</b>		
<b>Product development</b>		
Physical card		
Mobile wallet		
Online (excluding mobile wallet)		
<b>Cardholder reward programs</b>		
Operating costs		
Rewards		
Travel insurance		
Ticket offerings		
Other cardholder benefits		
<b>Net disputes and chargebacks (excluding write-offs)</b>		
<b>Net chargeback write-offs</b>		
<b>Collections and credit write-offs</b>		
<b>Fraud</b>		
Physical card		
Mobile wallet contactless (excluding DNP)		
Mobile wallet online (excluding DP)		
Online (excluding mobile wallet)		

<b>Cost of funds</b>	_____	_____
<b>Cost of capital</b>		
Credit risks	_____	_____
Operating risks	_____	_____
<b>Net scheme fees (total)</b>		
Authorisation and transaction processing	_____	_____
Fraud investigation and prevention	_____	_____
Other	_____	_____
<b>Other (please specify)</b>	_____	_____

### Transactions: Number and Value

	Number (million) / Value (\$m)	Number (million) / Value (\$m)
Number of transactions	_____	_____
Value of transactions	_____	_____

### Net Fraud Rates

DP transactions - As % of total number of transactions	_____	_____
DP transactions - As % of total value of transactions	_____	_____
DNP transactions - As % of total number of transactions	_____	_____
DNP transactions - As % of total value of transactions	_____	_____

### Gross Fraud Rates

DP transactions - As % of total number of transactions	_____	_____
DP transactions - As % of total value of transactions	_____	_____
DNP transactions - As % of total number of transactions	_____	_____
DNP transactions - As % of total value of transactions	_____	_____

Table 3: Prepaid card transactions

Period covered by costs information:	Domestic personal card transactions	Domestic commercial card transactions
	MasterCard, Visa and eftpos Total (\$m)	MasterCard, Visa and eftpos Total (\$m)
<b>Account set-up, overheads and maintenance (to be apportioned)</b>		
Sub-categories 1 to 11		
Other (please specify)		
<b>Card production and delivery</b>		
Physical card		
Digital cards (i.e. provisioning costs)		
<b>Authorisation &amp; Transaction processing</b>		
Physical card		
Mobile wallet contactless (excluding DNP)		
Mobile wallet online (excluding DP)		
Online (excluding mobile wallet)		
<b>Fees and other costs associated with mobile wallet providers</b>		
<b>Product development</b>		
Physical card		
Mobile wallet		
Online (excluding mobile wallet)		
<b>Cardholder reward programs</b>		
Operating costs		
Rewards		
Travel insurance		
Ticket offerings		
Other cardholder benefits		
<b>Net disputes and chargebacks (excluding write-offs)</b>		
<b>Net chargeback write-offs</b>		
<b>Collections and credit write-offs</b>		
<b>Fraud</b>		
Physical card		
Mobile wallet contactless (excluding DNP)		
Mobile wallet online (excluding DP)		
Online (excluding mobile wallet)		

<b>Cost of funds</b>		
<b>Cost of capital</b>		
Credit risks		
Operating risks		
<b>Net scheme fees (total)</b>		
Authorisation and transaction processing		
Fraud investigation and prevention		
Other		
<b>Other (please specify)</b>		

### Transactions: Number and Value

	Number (million) / Value (\$m)	Number (million) / Value (\$m)
Number of transactions		
Value of transactions		

### Net Fraud Rates

DP transactions - As % of total number of transactions		
DP transactions - As % of total value of transactions		
DNP transactions - As % of total number of transactions		
DNP transactions - As % of total value of transactions		

### Gross Fraud Rates

DP transactions - As % of total number of transactions		
DP transactions - As % of total value of transactions		
DNP transactions - As % of total number of transactions		
DNP transactions - As % of total value of transactions		

# Foreign Outbound Card Issuing Cost Study

## Explanatory notes

### Overview

The RBA is seeking to identify the costs for issuers associated with issuing payment cards and processing card payment transactions in Australia. Along with other major financial institutions, your involvement in the project will help inform the RBA's review of interchange regulation as part of the Review of Retail Payments Regulation.

We are interested in the costs to issuers of consumers making payments using the following card payment types, for device-present and device-not-present transactions:

- Personal international outbound credit card transactions (MasterCard and Visa)
- Personal international outbound debit card transactions (MasterCard and Visa)
- Commercial international outbound debit transactions (MasterCard and Visa)
- Commercial international outbound credit card transactions (MasterCard and Visa)
- Personal international outbound prepaid card transactions (MasterCard and Visa)
- Commercial international outbound prepaid card transactions (MasterCard and Visa).

This request is designed to collect long-run average cost information and we appreciate efforts to allocate costs across card payment types where they apply to multiple card payment types, as well as other payment methods. This information will allow us to analyse the resource costs of different card payment types.

These explanatory notes set out some general guidelines and then follow the structure of the templates. Please feel free to contact us if you have any questions regarding the templates.

## General guidelines

This section provides general guidance that is relevant for completing the cost templates.

- **Sectoral classification:** We have separated personal and commercial cards, as well as prepaid cards. Please refer to the definitions adopted in the [Explanatory Notes for Completing Retail Payments Statistics Forms](#).
- **Reporting period:** the most recent twelve-month financial reporting period for which your institution has data.
- **Scope:** data as appropriate relating to international outbound transactions only.
- **Total costs and fees:** where possible, complete *all* cost sub-categories in the templates. If the costs within some sub-categories cannot be completed, record the total costs of a payment-related activity. Where resource costs are difficult to measure, we can accept estimates based on prices paid for services, rather than measuring costs incurred by the service provider. Please also record whether any fees paid are inclusive or exclusive of GST.
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- Please report each of the following costs as part of the costs associated with each functional category, apportioned appropriately:
  - **Labour/employee costs:** employee costs should be broadly defined and include all wages, training, benefits and other costs.
  - **Operational costs:** costs incurred in maintaining and operating the current system, including replacing components, security, problem fixes and other maintenance costs that are treated as current costs for accounting purposes.
  - **Investment costs:** costs incurred making significant improvements to features or capacity of the system. These costs are normally capitalised and may well be project based. The current period costs of such expenditure are calculated by amortising the capitalised cost of the project over its expected lifetime. The current period (i.e. amortised) costs should be reported here. **Sunk costs that** have been fully written off should be ignored.
- **Joint/common costs:** several of the costs identified in the templates will be common to several card payment types (i.e. need to be apportioned to more than one card payment type). Joint costs should be allocated using an appropriate activity-based cost driver. Please indicate how these costs have been allocated and the cost driver employed. Examples of cost drivers include the number or value of transactions for each card payment type, the proportion of staff time spent on a particular activity, etc. Where it is not possible to apportion these costs using an appropriate activity-based cost driver and assumptions need to be made, please outline the assumptions and methodology adopted. Where it is not possible to apportion these costs across the different card payment types at all, please provide the aggregated cost and identify the card payment types those costs have been allocated to.
- **Float and cost of capital:** please indicate how calculations have been made for any float costs and cost of capital.
- **Number and value of transactions:** please report the number and value of transactions for the relevant period. Please ensure that the number/value of payments is consistent with the coverage of the associated costs information. Please report transactions net of reversals.

- **Fraud rates:** please report the rate of fraudulent transactions, calculated as both the number and value of fraudulent transactions perpetrated on the relevant card type as a percentage of the total number/value of transactions for that card type, for the relevant period. Please report both gross and net fraud.
- **Double counting:** please ensure that costs are not double counted in the different cost categories, particularly when allocating across different form factors or payment initiation methods.
- **Not applicable:** Please indicate where any costs are not relevant to your business.
- **Comments:** If there is insufficient room in the template for comments or details explaining cost estimates please provide a separate word document.
- **Device present (DP):** Transactions made at a point of sale where the card, mobile phone or other device interacts with an acceptance technology to authenticate the transaction. This includes transactions made using a POS card/device acceptance terminal and also includes any paper-based back up arrangements. The transaction may involve the cardholder entering a PIN (or in some circumstances a signature) and contactless payments.
- **Device not present (DNP):** Transactions processed via a 'remote' card acceptance technology where the card, mobile phone or other device is not able to physically interact with the technology to authenticate the transaction. Examples include card details provided to the merchant on a website, and mail/telephone orders.
- **Further definitions:** For any further definitions requiring clarification, please refer to the definitions adopted in the [Explanatory Notes for Completing Retail Payments Statistics Forms](#).

## Templates 1, 2 and 3: Card payments – issuers

This section provides guidance on the categories to be completed for the costs incurred by issuers of cards (credit cards, scheme debit, and eftpos). These costs can be broken down into 12 broad categories: 1) account set-up, overheads and maintenance, 2) card production and delivery, 3) authorisation and transaction processing, 4) fees paid to mobile wallet providers, 5) product development, 6) cardholder reward programs, 7) disputes, chargebacks and write-offs, 8) fraud, 9) cost of funds, 10) cost of capital, 11) net scheme fees, and 12) other fees.

Please indicate how joint/common costs have been allocated and the cost drivers employed.

**Account set-up, overheads and maintenance** comprises the costs of setting-up and maintaining relevant deposit/transaction, credit card and prepaid card accounts that enable the payment card transaction types identified. This could include: 1) systems and IT, 2) account product development, 3) marketing, 4) application processing and set-up, 5) receipt and processing of electronic credits to account, 6) internet banking, 7) telephone banking, 8) statement production and distribution, 9) general customer service, 10) general account management, 11) insurance and 12) other.

Please apportion these joint/common costs as appropriate to each card payment type identified (the vertical columns in each of the templates). **Indirect costs that are not specifically related to a card payment type, such as general corporate overheads, should not be included.**

We do not require reporting for the costs of account set-up, overheads and maintenance that would be apportioned to other payment methods such as account-to-account transfers, cheques or over-the-counter services, etc. However, identification of such costs for other payment methods may be required in order for your institution to conduct the appropriate apportionment for the requested card payment types.

We provide additional guidance on for each identified sub-category below:

Systems and IT (excluding Internet and Telephone banking) includes all costs relating to the operation, development and maintenance of systems and IT which support account infrastructure in each of the following functional areas:

- Product development and marketing
- Application processing and set-up
- Receipt and processing of electronic credits to accounts (excluding over-the-counter cash and cheque deposits)
- Statement production and distribution
- General customer service
- General account management
- Other general account infrastructure.

Systems and IT costs relating to Internet banking and Telephone banking should not be double counted here. System and IT costs related to other cost categories, such as authorisation and transaction processing, should not be double counted here.

Account product development comprises the development of account products, including account design, development and launch. It excludes card design and specifications which are for fraud prevention or management.

Marketing involves costs associated with the solicitation of prospective account holders and costs associated with encouraging existing account holders to remain customers or open further accounts. Costs may include:

- Developing and implementing marketing programs for the relevant account
- Developing, producing and distributing account marketing materials to target new account holders
- Payments to third party agencies assisting with account marketing activities
- Performance monitoring of account marketing programs
- Customer retention programs
- Repricing.

Application processing and set-up includes:

- Account application processing
- Reviewing applications
- Receiving and entering new account information into systems
- Storage of applications
- Processing enquiries relating to the state of applications still being processed
- Responding to new account holders with account documentation (excluding cards, PINs or cheques books)
- Responding to rejected applications
- Screening applications for application fraud
- Credit evaluation. This is only applicable to credit card accounts. It includes:
  - Purchasing pre-screened/pre-approved lists from credit agencies
  - Conducting credit evaluations
  - Setting credit limits
  - Reviewing applications for changes in credit limits
  - Responding to applications for changes in credit limits
  - Responding to enquiries relating to the state of credit limit change applications still being processed.

Please do not include any agency fees paid to third parties (e.g. Australia Post) for the creation of relevant accounts in this category. These can be separately identified in the residual category 'Other' below.

Receipt and processing of electronic credits to relevant accounts (excluding over-the-counter cash and cheque deposits) includes all costs (other than systems and IT costs) related to the receipt and processing of funds credited electronically to relevant accounts. Please exclude all cash and cheque deposits made over-the-counter at financial institutions or agencies. Costs captured here include:

- The acceptance of electronic deposits including inter and intra financial institution transfers (excluding over-the-counter deposits)
- The posting of all deposits/credits to the account (excluding over-the-counter deposits)
- The posting of interest payments to deposits accounts (credits only)
- Reconciling deposits with the daily customer balances.

For credit cards this includes the receipt, processing and posting of cardholder payments to the cardholder's account.

Internet banking (including systems and IT) is a system of banking in which customers can obtain their account details, pay bills, transfer money, and perform other account related tasks by means of the Internet, including through mobile devices and apps. Costs captured here should include:

- Systems and IT costs specific to Internet banking
- Internet banking management costs
- Costs specific to mobile app services
- Other direct Internet banking costs.

Telephone banking (including systems and IT) is a system of banking in which customers can obtain their account details, pay bills, transfer money, and perform other account related tasks by calling a telephone number. Costs captured here should include:

- Systems and IT costs specific to Telephone banking
- Telephone banking management costs
- Other direct Telephone banking costs.

Statement production and distribution is the generation and sending of statements (both physically and electronically) to account holders. It includes:

- Producing and archiving statements
- Delivering statements
- Managing address changes on returned statements.

General customer service includes all costs arising from the receipt and processing of account holder-initiated enquiries and requests.

Typical activities that are part of this category include:

- Name and address changes
- Balance enquiries (excluding via ATM)
- Account fees and interest charge enquiries
- Password changes
- PIN changes (excluding via ATM)
- Account closure
- Complaints related to the account (other than complaints related to a specific payment instrument)
- Transferring account holder enquiries to other departments and/or specialist response centres (e.g. fraud, credit assessment, credit collections, etc)
- Predictive information (non-statement) services that anticipate an account holder's enquiries and respond with information before an enquiry is made (e.g. text messages that are sent to an account holder when they are near their credit limit)
- Other general account enquiries.

Costs that should not be double counted in this category are costs associated with:

- The reporting of lost and stolen cards (reported as part of the Fraud category).
- Enquiries related to voucher retrieval requests and chargeback processing (reported as part of the Net Disputes and Chargebacks category).
- Enquiries related to the state of account applications.
- Enquiries related to the state of credit limit change applications.
- Fraud enquiries.

- Disputed transactions.
- Credit assessment enquiries.
- Credit collection enquiries (reported as part of the Credit Collections and Write-offs category).

General account management includes the administrative and managerial activities involved in providing a deposit/transaction account business, a credit card account business or a prepaid card account business.

Activities may include:

- Deposit/transaction account services management, credit account services management or prepaid account services management.
- Strategic planning and development related to the deposit/transaction account products, credit account products or prepaid account products.
- The preparation and dissemination of management information which is used as an input in management decisions related to account products.

Where these are joint costs, please apportion costs based on the proportion of staff time spent on each activity.

Insurance (net of claims) includes any insurance costs (net of successful claims) for fraud and theft related to payment activities.

Other is a residual category. Please record and specify all other costs associated with general account infrastructure. This might include any general compliance costs (e.g. for anti-money laundering (AML)).

Please separately identify in this section any agency fees paid to third parties (e.g. Australia Post) for the creation of relevant accounts. Please do not include any other agency fees (e.g. those for cash withdrawals).

**Card production and delivery** includes both newly issued and re-issued cards, and covers all aspects from the cards' production to the cards' arrival in the hands or digital wallets of the cardholder (including costs related to card dispatch and postage, and to the issuance and provisioning of tokens for digital cards). However, it excludes card design features that relate to fraud prevention (e.g. hologram and chip), as well as additional costs associated with tokenisation separate to the issuance and provisioning of tokens, such as lifecycle management (these are included in the 'Fraud' category below). Please report card production costs separately for two different types of cards:

1. *Physical cards*
2. *Digital cards* – to the extent there are any additional costs to the issuance of a physical card, or any costs specific to digital-only cards.

**Authorisation & transaction processing** reflects the issuer costs incurred in providing authorisation, clearing, posting, and settlement of card transactions. We ask that you only include costs related to:

- Receiving and processing authorisation requests (including voice authorisations)
- Receiving and responding to referral enquiries
- Investigating and processing exception transactions necessary to complete or correct a valid transaction
- Maintaining and updating authorisation files
- Clearing, posting to cardholder accounts, reconciliation, and settlement processing
- Scheme compliance directly related to authorisation, clearing/posting, and settlement.

We ask that you exclude costs related to:

- 'Reverse' interchange fees for cash-out or ATM withdrawals.
- Retrieval requests, chargeback processing, representments, and write-offs (reported in other categories)
- Core IT costs attributable to account set-up, overheads and maintenance (reported in other categories)
- Fees paid to mobile wallet providers (reported in other categories)

- Broader cardholder servicing such as statementing
- Scheme fees related to authorisation and processing (reported in other categories)
- Tokenisation/digital wallet enablement activities and vendor costs.

Please report authorisation and transaction processing costs for four different types of transactions, where possible:

1. *Physical card transactions* – whether contact or contactless.
2. *Mobile wallet contactless transactions* – where the customer ‘taps’ the mobile to the terminal.
3. *Mobile wallet online* – where the customer makes a device-not-present transaction using a mobile wallet.
4. *Online (excluding mobile wallet)* – where the customer makes a device-not-present transaction such as through a website, excluding mobile wallet transactions.

**Fees and other costs associated with mobile wallet providers** includes any fees paid directly to mobile wallet providers for transactions initiated through their mobile wallets, whether charged on a per-account or per-transaction basis, and whether in-person, in-app or online; and any additional costs occasioned by or due to or connected to providing mobile wallet payments (for example marketing, project and usage fees).

**Product development** comprises the development of products that are specific to a scheme or card payment type. Please exclude any product development costs already reported under ‘fraud’.

Please report product development costs for the three different types of transactions identified in the template, where possible.

Cardholder reward programs includes:

1. *Operating costs*. This includes:
  - (a) The development and implementation of cardholder reward programs.
  - (b) The monitoring and ongoing costs of running cardholder reward programs.
2. *Rewards*. This includes the purchase of loyalty points, partner payments and cash payments to cardholders.
3. *Travel insurance*. This includes purchase of travel-related insurance offered to cardholders.
4. *Ticket offerings*. This includes purchase or provision of events tickets, early access or associated benefits.
5. *Rebates for corporate clients*. Where applicable, any rebates provided to corporate clients for card spend according to a contract.
6. *Other cardholder benefits*. Any other benefits that do not fall within the above categories.

Please report the cost of the five categories above separately.

**Net disputes and chargebacks (excluding write-offs)** includes the net administrative costs of managing, processing, and resolving disputes and chargebacks, after deducting any fees received from merchants for these services. Please exclude chargeback write-offs, credit write-offs, credit collection costs, and fraud losses.

**Net chargeback write-offs** is the net amount written off as chargeback losses.

**Credit collections and write-offs** includes costs associated with minimising and recovering outstanding balances on delinquent and written-off accounts, the net amount written off as bad debt losses (excluding fraud losses), and costs associated with customer enquiries related to credit collections.

**Fraud** includes:

- Net losses – this is the net amount written off as (card issuing) fraud losses after allowing for all recoveries.
- Prevention, monitoring, mitigation, investigation and remediation, including:
  - Card design and security features to reduce fraud (e.g. hologram, chip, tokenisation), and developing and maintaining systems and procedures for fraud prevention and detection.

- Screening tools and practices.
- Investigating, processing and managing cases of intentional card misuse.
- Assisting and liaising with relevant parties for investigations related to card fraud
- Scam related costs.
- Card replacement costs where replacement is due to fraud
- Scheme compliance directly related to measures specific to fraud mitigation
- Customer enquiries relating to fraudulent transactions.

Please exclude costs relating to:

- AML/CTF transaction monitoring
- Routine card production and delivery
- Statement production
- Credit underwriting
- Scheme fines and penalties
- Dispute handling/complaints bodies fees unless they are clearly tied to specific fraud remediation cases
- Broad risk and compliance activities not demonstrably targeted at card fraud prevention/detection.

Please report fraud costs for the different types of transactions identified, where possible.

**Cost of funds** is the cost to the issuer for funding interest free balances (in line with the credit card interchange costs calculations – refer p 15–16 of [‘Common Benchmark for the Setting of Credit Card Interchange Fees’](#)).

Cost of capital includes:

1. *Cost of capital (credit risks)*: this is the cost of capital employed by the issuer to cover the credit risk associated with funding its outstanding credit card portfolio balances. Please note that this cost is only applicable to credit cards.
2. *Cost of capital (operating risks)*: this is the cost of capital employed by the issuer to cover operational risk. (If there are costs of capital associated with other factors please report separately with details).

Please report the cost of the categories above separately. Please specify how the costs for these categories are calculated, particularly any cost of capital not relating to credit or operating risk.

**Net scheme fees (total)** is the net fee paid to schemes for issuing activity, including any rebates and incentives received from schemes, but not revenue from interchange. If possible, please provide a breakdown for:

1. *Authorisation and transaction processing*
2. *Fraud investigation and prevention*
3. *Other.*

Please indicate if the fees reported are inclusive or exclusive of GST.

**Other** includes any card issuing costs not covered by the above categories. Please specify all costs included in this category.

# Templates – Issuer Costs

Table 1.1: Consumer card device present transactions

Period covered by costs information:	International personal card device present transactions (cards issued in Australia)	
	MasterCard and Visa <i>credit</i> (incl. cash advances) Total (\$m)	MasterCard and Visa <i>debit</i> Total (\$m)
<b>Account set-up, overheads and maintenance (to be apportioned)</b>		
Sub-categories 1 to 11		
Other (please specify)		
<b>Card production and delivery</b>		
Physical card		
Digital cards (i.e. provisioning costs)		
<b>Authorisation &amp; Transaction processing</b>		
Physical card		
Mobile device contactless (excluding DNP)		
<b>Fees and other costs associated with mobile wallet providers</b>		
<b>Product development</b>		
Physical card		
Mobile device		
<b>Cardholder reward programs</b>		
Operating costs		
Rewards		
Travel insurance		
Ticket offerings		
Other cardholder benefits		
<b>Net disputes and chargebacks (excluding write-offs)</b>		
<b>Net chargeback write-offs</b>		
<b>Collections and credit write-offs</b>		
<b>Fraud</b>		
Physical card		
Mobile device contactless (excluding DNP)		

<b>Cost of funds</b>	_____	_____
<b>Cost of capital</b>		
Credit risks	_____	_____
Operating risks	_____	_____
<b>Net scheme fees (total)</b>		
Authorisation and transaction processing	_____	_____
Fraud investigation and prevention	_____	_____
Other	_____	_____
<b>Other (please specify)</b>	_____	_____

**Transactions: Number and Value**

	<b>Number (million) / Value (\$m)</b>	<b>Number (million) / Value (\$m)</b>
Number of transactions	_____	_____
Value of transactions	_____	_____

**Net Fraud Rates**

As % of total number of transactions	_____	_____
As % of total value of transactions	_____	_____

**Gross Fraud Rates**

As % of total number of transactions	_____	_____
As % of total value of transactions	_____	_____

Table 1.2: Consumer card device not present transactions

Period covered by costs information:	International personal card device not present transactions (cards issued in Australia)	
	MasterCard and Visa <i>credit</i> (incl. cash advances) Total (\$m)	MasterCard and Visa <i>debit</i> Total (\$m)
<b>Account set-up, overheads and maintenance (to be apportioned)</b>		
Sub-categories 1 to 11		
Other (please specify)		
<b>Card production and delivery</b>		
Physical card		
Digital cards (i.e. provisioning costs)		
<b>Authorisation &amp; Transaction processing</b>		
Mobile device online (excluding DP)		
Online (excluding mobile device)		
<b>Fees and other costs associated with mobile wallet providers</b>		
<b>Product development</b>		
Mobile device		
Online (excluding mobile device)		
<b>Cardholder reward programs</b>		
Operating costs		
Rewards		
Travel insurance		
Ticket offerings		
Other cardholder benefits		
<b>Net disputes and chargebacks (excluding write-offs)</b>		
<b>Net chargeback write-offs</b>		
<b>Collections and credit write-offs</b>		
<b>Fraud</b>		
Mobile device online (excluding DP)		
Online (excluding mobile device)		
<b>Cost of funds</b>		

**Cost of capital**

Credit risks

Operating risks

**Net scheme fees (total)**

Authorisation and transaction processing

Fraud investigation and prevention

Other

**Other (please specify)****Transactions: Number and Value**

	Number (million) / Value (\$m)	Number (million) / Value (\$m)
Number of transactions		
Value of transactions		

**Net Fraud Rates**

As % of total number of transactions

As % of total value of transactions

**Gross Fraud Rates**

As % of total number of transactions

As % of total value of transactions

Table 2.1: Commercial card device present transactions

Period covered by costs information:	International commercial card device present transactions (cards issued in Australia)	
	MasterCard and Visa <i>credit</i> (incl. cash advances) Total (\$m)	MasterCard and Visa <i>debit</i> Total (\$m)
<b>Account set-up, overheads and maintenance (to be apportioned)</b>		
Sub-categories 1 to 11		
Other (please specify)		
<b>Card production and delivery</b>		
Physical card		
Digital cards (i.e. provisioning costs)		
<b>Authorisation &amp; Transaction processing</b>		
Physical card		
Mobile device contactless (excluding DNP)		
<b>Fees and other costs associated with mobile wallet providers</b>		
<b>Product development</b>		
Physical card		
Mobile device		
<b>Cardholder reward programs</b>		
Operating costs		
Rewards		
Travel insurance		
Ticket offerings		
Other cardholder benefits		
<b>Net disputes and chargebacks (excluding write-offs)</b>		
<b>Net chargeback write-offs</b>		
<b>Collections and credit write-offs</b>		
<b>Fraud</b>		
Physical card		
Mobile device contactless (excluding DNP)		
<b>Cost of funds</b>		

**Cost of capital**

Credit risks

Operating risks

**Net scheme fees (total)**

Authorisation and transaction processing

Fraud investigation and prevention

Other

**Other (please specify)****Transactions: Number and Value**

	Number (million) / Value (\$m)	Number (million) / Value (\$m)
Number of transactions		
Value of transactions		

**Net Fraud Rates**

As % of total number of transactions

As % of total value of transactions

**Gross Fraud Rates**

As % of total number of transactions

As % of total value of transactions

Table 2.2: Commercial card device not present transactions

Period covered by costs information:	International commercial card device not present transactions (cards issued in Australia)	
	MasterCard and Visa <i>credit</i> (incl. cash advances) Total (\$m)	MasterCard and Visa <i>debit</i> Total (\$m)
<b>Account set-up, overheads and maintenance (to be apportioned)</b>		
Sub-categories 1 to 11		
Other (please specify)		
<b>Card production and delivery</b>		
Physical card		
Digital cards (i.e. provisioning costs)		
<b>Authorisation &amp; Transaction processing</b>		
Mobile device online (excluding DP)		
Online (excluding mobile device)		
<b>Fees and other costs associated with mobile wallet providers</b>		
<b>Product development</b>		
Mobile device		
Online (excluding mobile device)		
<b>Cardholder reward programs</b>		
Operating costs		
Rewards		
Travel insurance		
Ticket offerings		
Other cardholder benefits		
<b>Net disputes and chargebacks (excluding write-offs)</b>		
<b>Net chargeback write-offs</b>		
<b>Collections and credit write-offs</b>		
<b>Fraud</b>		
Mobile device online (excluding DP)		
Online (excluding mobile device)		
<b>Cost of funds</b>		

**Cost of capital**

Credit risks

Operating risks

**Net scheme fees (total)**

Authorisation and transaction processing

Fraud investigation and prevention

Other

**Other (please specify)****Transactions: Number and Value**

	Number (million) / Value (\$m)	Number (million) / Value (\$m)
Number of transactions		
Value of transactions		

**Net Fraud Rates**

As % of total number of transactions

As % of total value of transactions

**Gross Fraud Rates**

As % of total number of transactions

As % of total value of transactions

Table 3.1: Prepaid card device present transactions

Period covered by costs information:	International personal card device present transactions	International commercial card device present transactions
	MasterCard and Visa Total (\$m)	MasterCard and Visa Total (\$m)
<b>Account set-up, overheads and maintenance (to be apportioned)</b>		
Sub-categories 1 to 11		
Other (please specify)		
<b>Card production and delivery</b>		
Physical card		
Digital cards (i.e. provisioning costs)		
<b>Authorisation &amp; Transaction processing</b>		
Physical card		
Mobile wallet contactless (excluding DNP)		
<b>Fees and other costs associated with mobile wallet providers</b>		
<b>Product development</b>		
Mobile device		
Online (excluding mobile device)		
<b>Cardholder reward programs</b>		
Operating costs		
Rewards		
Travel insurance		
Ticket offerings		
Other cardholder benefits		
<b>Net disputes and chargebacks (excluding write-offs)</b>		
<b>Net chargeback write-offs</b>		
<b>Collections and credit write-offs</b>		
<b>Fraud</b>		
Mobile device online (excluding DP)		
Online (excluding mobile device)		
<b>Cost of funds</b>		

**Cost of capital**

Credit risks

Operating risks


**Net scheme fees (total)**

Authorisation and transaction processing

Fraud investigation and prevention

Other


**Other (please specify)**

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**Transactions: Number and Value**

	Number (million) / Value (\$m)	Number (million) / Value (\$m)
Number of transactions		
Value of transactions		

**Net Fraud Rates**

As % of total number of transactions

As % of total value of transactions


**Gross Fraud Rates**

As % of total number of transactions

As % of total value of transactions


Table 3.2: Prepaid card device not present transactions

Period covered by costs information:	International personal card device not present transactions	International commercial card device not present transactions
	MasterCard and Visa Total (\$m)	MasterCard and Visa Total (\$m)
<b>Account set-up, overheads and maintenance (to be apportioned)</b>		
Sub-categories 1 to 11		
Other (please specify)		
<b>Card production and delivery</b>		
Physical card		
Digital cards (i.e. provisioning costs)		
<b>Authorisation &amp; Transaction processing</b>		
Mobile device online (excluding DP)		
Online (excluding mobile device)		
<b>Fees and other costs associated with mobile wallet providers</b>		
<b>Product development</b>		
Mobile device		
Online (excluding mobile device)		
<b>Cardholder reward programs</b>		
Operating costs		
Rewards		
Travel insurance		
Ticket offerings		
Other cardholder benefits		
<b>Net disputes and chargebacks (excluding write-offs)</b>		
<b>Net chargeback write-offs</b>		
<b>Collections and credit write-offs</b>		
<b>Fraud</b>		
Mobile device online (excluding DP)		
Online (excluding mobile device)		
<b>Cost of funds</b>		

**Cost of capital**

Credit risks

Operating risks

_____	_____

**Net scheme fees (total)**

Authorisation and transaction processing

Fraud investigation and prevention

Other

_____	_____
_____	_____
_____	_____

**Other (please specify)**

_____	_____
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**Transactions: Number and Value**

	Number (million) / Value (\$m)	Number (million) / Value (\$m)
Number of transactions	_____	_____
Value of transactions	_____	_____

**Net Fraud Rates**

As % of total number of transactions

As % of total value of transactions

_____	_____
_____	_____

**Gross Fraud Rates**

As % of total number of transactions

As % of total value of transactions

_____	_____
_____	_____