

7 February 2017

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

**Dual-Network Cards and Mobile Wallet Technology, Consultation Paper, December 2016**

Dear Dr Richards

We welcome the opportunity to participate in the **Review of Dual-Network Cards and Mobile Wallet Technology (the Review)** and in particular the Consultation Paper issued in December 2016 (the Paper).

We support PSB's role in enhancing competition and efficiency in the payments system and agree with the underlying purpose of the Paper, that is to ensure that competition is working effectively in a new and potentially complex market.

Westpac Group's approach to suppliers in the cards market, broadly defined for the purposes of this response as schemes and now mobile phone operators is to work with all suppliers. Our view is that this keeps competitive tension in these markets and ensures the best coverage for our customers. We also agree that in most cases, dual network cards have value for cardholders.

Our experience to date is that there are no restrictions imposed on issuers by card schemes on mobile wallet provisioning for dual network cards. We accept that such restrictions might be bilaterally negotiated if an issuer was suitably compensated for the loss of optionality.

An area yet to play out is whether the global third party mobile wallet providers will support eftpos contactless. While we are aware that Apple Pay, for example, have made changes to cater for Canada's and Japan's domestic schemes, as these providers run global platforms they may see little value in making exceptions for domestic only schemes at some stage.

We look forward to discussing with you in the next phase of the Review.

Sincerely

*[signed]*

Chris Campbell  
**Head of Payments Policy and Strategy**