



INCENTIVE HOUSE

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

Submission via email pysubmissions@rba.gov.au

Submission on review of designation for the eftpos system

Incentive House is a current participant in merchant-to-merchant and consumer-to-merchant clearing, using the EFTPOS infrastructure currently operated by ePAL.

Incentive House would be strongly in favour of the RBA pursuing 'Option 2' in reviewing the designation of the eftpos system.

The reasons for which Incentive House is taking this position include the following;

- Incentive House is in favour of a scenario that would provide flexibility to merchants seeking to utilise the eftpos payments infrastructure either within or outside the current ePAL guidelines, depending on the specific nature of the business relationship being pursued
- There are a significant number of circumstances in which allowing one entity to dictate pricing and modus operandi of the eftpos payments infrastructure may impact adversely on the flexibility required to support solid commercial business models where traders are transacting in new or different ways than previously envisaged with respect to utilisation of the eftpos infrastructure
- Providing for a scenario where a 'full service utilisation' of the eftpos platform may result in merchants working within ePAL guidelines, but others wishing to utilise specific aspects of the eftpos infrastructure may not have the need for the total offering and therefore wish to deal directly or alternatively negotiate a differential relationship with ePAL would be in the general public interest
- Recognising that the eftpos platform delivers an effective monopoly - unlike Visa, Mastercard, PayPal and other payment platforms - is important in arriving at a designation that delivers flexibility and options to those wishing to utilise the eftpos platform to pursue commercial opportunities.

Kind regards,

Gus Poskus
Director