

Quarterly Disclosures – Retail Payment Service Reliability

Explanatory information

March 2022

The Reserve Bank (the ‘Bank’) requires individual providers of payment services to households and businesses to publish statistics about the reliability of their services on their websites. These disclosures are intended to support transparency about retail payment service reliability.

Who discloses this information?

The disclosures apply to institutions that provide retail payment and banking services to individual and business customers and:

- are one of the 25 largest authorised deposit-taking institutions ranked by household deposits (as at June 2019);¹ and/or
- operate an Exchange Settlement Account with the Bank and acquire card payments for businesses.

For financial institutions that operate multiple brands, the disclosures are made at the retail brand-level (rather than for the entire group), since it is the brand that Australian households and businesses interact with for their retail payment and banking services.

The Bank maintains on its website a list of retail payments service providers disclosing the statistics and website links to where the disclosures are located.²

When are the disclosures made?

The quarterly disclosures are to be published by individual providers by 12pm AEST/AEDT, on the 15th calendar day of the second month after the calendar quarter (e.g. 15 February for the December quarter data). If this date is not a business day, then the disclosures will be made on the next business day.

What statistics are disclosed?

The reliability information is provided in a standardised table containing statistics on service availability and significant outages in the quarter, for each service offered by the retail payments provider. The specified services are: ATMs, branches, cardholder payments, card acceptance for businesses, access to accounts using online banking, ‘fast’ account transfers and ‘next business day’ account transfers. An exception is for the ATM and branch services – providers are only required to disclose reliability statistics for these services if they have a national network of more than 10 ATMs or more than 10 branches, respectively.

The disclosure table indicates the percentage availability of individual retail payment services (defined as the percentage of time that the service is not experiencing a significant outage). It also shows the aggregate duration of significant outages to individual retail payment services, separated into outages due to problems at the retail payments provider, and outages due to problems at system-wide infrastructures or natural disasters (which are outside of the provider’s control). Significant outages are

1 Based on data sourced from APRA’s Monthly Authorised Deposit-taking Institution Banking Statistics.

2 This is available at: <<https://www.rba.gov.au/payments-and-infrastructure/resources/reliability-disclosures.html>>

those that meet minimum thresholds for the duration of the outage and the proportion of customers affected.

How are the statistics defined?

Description of metrics

- *Service availability %*. The actual amount of time that the service is not experiencing a significant outage, as a proportion of the amount of time during which the service was planned to be available in the quarter. Planned available time excludes planned outages (e.g. for system maintenance).
- *Significant outage*. Unplanned unavailability or significant performance degradation of a service that meets minimum thresholds for the duration of the outage and the proportion of customers affected. The proportion of customers affected is measured (depending on the service) as the number of customers or transactions or service points disrupted during the outage. Further details of the measurement of significant outages for each service are set out below.
- *System-wide infrastructures*. Includes: payment system infrastructure provided by the RBA, card schemes, and NPPA; other central payment system infrastructure; the electricity network; and providers of telecommunications network links to the brand's operating or data centres. Network link outages that are specific to the retail payments provider's operating or data centre (that is, the problem is with the link itself, rather than with the provider of the link more generally) will not be considered system-wide infrastructure outages. Other IT and third-party payment service providers, including internet service providers, are also excluded from the definition of system-wide infrastructure since retail payments providers will vary in their choice of third-party provider and may choose to use a back-up provider.³ For example, disruption to an ATM's connectivity due to issues at an internet service provider or mobile service provider (where the financial institution is responsible for selecting the provider), would not be considered a system-wide outage.

Description of services

- *Withdraw/deposit cash at ATM*. Ability to withdraw or deposit cash, and check account balances, at the brand's branded ATMs. Excludes issues relating to the cardholder's card.
- *Transact over-the-counter at a branch*. Ability to withdraw or deposit cash, or initiate account transfers or make bill payments over-the-counter in a branch. Excludes the ability to draw and deposit cheques. Excludes Bank@Post outlets.
- *Make card payments (cardholders)*. Ability to use the brand's branded debit, prepaid or credit card to make a payment either in-store, on a mobile device (e.g. through an app) or online. Outages exclude problems with the business' payments acceptance devices or payments provider, or a customer's mobile device.
- *Accept card payments (businesses)*. Ability of businesses using the payment services of the brand to accept card payments, either at point-of-sale or online/in-app. Outages exclude problems with the cardholder's bank or payment acceptance devices that are not provided by the brand.
- *Access accounts using online banking (web browser or mobile device app)*. Ability to log in, transfer between own accounts at the brand, initiate payments and/or view accurate and up to date

³ However, the RBA may determine, on an exceptions basis, an IT-related outage as a system-wide infrastructure outage if it pervasive across the industry

account information. Excludes the ability to process payments, which is covered in 'make/receive account transfers - fast payments' and 'make/receive account transfers - the next business day'.

- *Make/receive account transfers – fast payments.* Ability of the brand to process fast bank account transfers. This includes account-to-account transfers (Pay Anyone) to a PayID, and other one-off or scheduled payments (for example, direct debits and payroll payments by businesses) made through NPP/Osko. Outages exclude the inability for customers to initiate transfers due to unavailability of web or app banking channels, or a branch.
- *Make/receive account transfers – next business day.* Ability of the brand to process bank account transfers, with funds becoming available to the recipient on the next business day or later. Includes account-to-account transfers (Pay Anyone) and scheduled payments (for example, direct debits, and payroll payments by businesses) not made as fast payments through NPP/Osko, and BPAY payments. Outages exclude the inability to initiate payments due to unavailability of web or app banking channels, or a branch.

The scope of each service is only those services branded or provided to the customer by the retail payments provider (regardless of whether they are operated by the provider or a third party). This excludes services branded by a third party, or services or devices that a customer sources from a third party directly. For example, ATMs branded by third parties, Bank@Post outlets, charge cards (Amex and Diners cards) and closed loop systems (Alipay and WeChatPay), and mobile phones and payment acceptance devices not provided by the retail payments provider, are excluded. Operational problems due to issues at a digital wallet provider (such as Apple Pay/Google Pay/Samsung Pay) are excluded; however, if the issue is with the retail payments provider's ability to process card payments initiated through the digital wallet, then the problem should be reported if it meets significant outage thresholds.

Significant outages to services

The definitions of significant outages for each service are set out in the table below. The following general principles apply:

- Significant outages include unplanned outages only. Planned outages (e.g. for system maintenance) are excluded from this definition.
- The minimum duration threshold is 30 minutes for all services, except for next-business-day account transfers, where a significant outage is only taken to have occurred if transactions cannot be processed by the end of that day. The minimum threshold for the proportion of customers affected – that is, the 'customer reach' of the unplanned outage – is 10 per cent for all services; geographical criteria also apply for services that involve an in-person presence. Customer reach is measured (depending on the service) as the number of customers or transactions or service points disrupted during the outage.
- The overall duration of an unplanned outage to a retail payments service is the time during which at least 10 per cent of customers/transactions/service points were impacted (or a major geographical area was impacted). The following additional principles apply:
 - For outages to the 'Make/receive account transfers – next business day' service, outage duration excludes weekends, national public holidays (i.e. those that are recognised in every Australian State and Territory) and the 10 hours per day during which, under the disclosure framework, the service is considered closed. Similarly, for branches, the duration of outages should not include the hours which fall outside the branch's normal opening hours.

- Where stand-in arrangements enable a service to continue operating during an outage (for example, ATM and card stand-in arrangements), the transactions affected by the outage are only those that could not be processed in stand-in mode. The ability to use an alternative service during an outage (for example, processing account transfers via BECS if NPP is unavailable) is not considered a stand-in arrangement and does not mitigate the impact of the outage.
- Partial outages, intermittent outages and performance degradations are considered outages, if they meet the minimum duration and customer reach criteria. The following additional rules apply for measuring these outages:
 - *Partial outages.* If any component of the retail payment service is unavailable, then the entire service is considered unavailable.
 - *Intermittent outages.* If outages occur for short but repeated intervals (rather than continuously), retail payments providers can add the duration of the individual outage intervals to arrive at a total duration. If a retail payments provider is not able to measure the duration of the individual intervals, total outage duration will be taken to be the period from the start of the first occurrence to the end of the last occurrence of the intermittent disruptions.
 - *Performance degradation.* This is a situation where a service is experiencing slower than normal response times. A performance degradation will be considered an ‘outage’ if it results in the action/process timing out or being aborted (either by the system or by the customer).

Retail Payment Service Significant Outage Definitions

Specified service	Definition of an outage	Significant outage thresholds
<p><i>Withdraw/deposit cash at ATM</i></p>	<p>Customers unable to withdraw or deposit cash, or check account balance, at ATMs branded by the retail payments provider.</p> <p>Excludes any ATMs that are not branded under the retail brand. Excludes issues with the subsequent exchange of files and settlement between issuers and acquirers.</p> <p>Excludes planned outages (including those relating to system maintenance, ATM cash replenishment and cleaning) and outages due to vandalism. (Note, however, that the Bank expects institutions to be conservative in their cash replenishment activities to minimise the chance of machines running out of cash).</p> <p>Excludes issues affecting the customer’s card rather than the retail payments provider’s ATM network.</p>	<p>At least 10% of the provider’s national ATM fleet is affected OR the outage affects a major geographical area (an entire mainland capital city metropolitan area, or 50% of ATMs in the rest of a State or Territory) where the provider has more than 10 ATMs, for at least 30 minutes.</p> <p>Where an ATM is operating in stand-in mode, and the transaction value limit is set at a level that covers at least 90 per cent of the brand’s transactions, then the ATM is not considered unavailable.</p>

Specified service	Definition of an outage	Significant outage thresholds
<i>Transact over-the-counter at a branch</i>	<p>Customers unable to make over-the-counter cash withdrawals and deposits, or initiate in-branch account-to-account transfers and bill payments. Excludes the ability to open or close accounts, draw and deposit cheques, and the initiation of Real Time Gross Settlement (RTGS) payments.</p> <p>Outage could be due to closure of branches or issues with branch systems. Excludes issues with the underlying payment processing systems (e.g. NPP or BECS processing).</p> <p>Excludes outages on weekends.</p>	<p>At least 10% of the provider's branch network is affected OR the outage affects a major geographical area (an entire mainland capital city metropolitan area, or 50% of branches in the rest of the State or Territory) where the provider has more than 10 branches, for at least 30 minutes.</p>
<i>Make card payments (cardholders)</i>	<p>Card holders unable to present cards provided by the retail payments provider and have the transaction authorised, either at point-of-sale or online/in-app.</p> <p>These are outages due to issues affecting the provider of the card. Outages exclude issues with the business' payments acceptance device or payments provider, and issues with the card technology provided by mobile phone manufacturers.</p> <p>Excludes issues with the subsequent exchange of clearing files and settlement between issuers and acquirers.</p>	<p>At least 10% of expected transactions affected OR, for card present transactions, the outage affects a major geographical area (an entire mainland capital city metropolitan area, or 50 per cent of transactions in the rest of a State or Territory), for at least 30 minutes.</p> <p>Customer reach of the outage is calculated as expected minus actual number of transactions during the outage period, as a proportion of the expected number of transactions during the outage period. Expected number of transactions during outage period is based on the usual level of transactions for that period of the day and that day of the week and month.</p> <p>Where stand-in arrangements are in place, the affected transactions are only those that cannot be processed under the stand-in arrangements (for example, due to transaction value limits).</p>
<i>Accept card payments (businesses)</i>	<p>Businesses using the payment (acquiring) services of the retail payments provider unable to accept card payments, either at point-of-sale or online/in-app.</p> <p>Excludes inability to accept payments due to problems with customer's bank. Excludes issues with the business' telecommunications provider.</p> <p>In the case where the payment acceptance device is provided by a third party (that is, not by the institution providing the payment service), excludes the inability to accept payments due to issues with the device or the provider of the device.</p> <p>Excludes issues with the subsequent exchange of clearing files and settlement between issuers and acquirers.</p>	<p>At least 10% of merchants nationally are affected (including in-store and online merchants) OR the outage affects POS terminals in a major geographical area (an entire mainland capital city metropolitan area, or 50% of POS terminals in the rest of a State or Territory), for at least 30 minutes.</p>

Specified service	Definition of an outage	Significant outage thresholds
<p><i>Access accounts using online banking (web browser or mobile device app)</i></p>	<p>Customer unable to access the online and/or mobile banking channel (i.e. log in) and transfer between own accounts, initiate transactions and/or view accurate and up to date account information</p> <p>Excludes the inability to process initiated transactions (other than transfer between own accounts). Excludes the inability to initiate a particular type of transaction because the system processing that type of transaction is unavailable (for example, inability to initiate an Osko payment because the retail payments provider's NPP processing is unavailable – this would be reported as an outage to 'make/receive account transfer – fast payments').</p> <p>Excludes the inability of third parties to access account information or transaction histories through open banking.</p>	<p>At least 10% of expected number of online banking users affected, for at least 30 minutes.</p> <p>Where user logins are affected, customer reach of the outage is calculated as expected minus actual logins during the outage period, as a proportion of expected logins during the outage period. Where ability to initiate transactions/transfers is affected, customer reach is calculated as expected minus actual number of transaction/transfer initiations during the outage period, as a proportion of expected number of transaction/transfer initiations during the outage period.</p> <p>Expected logins/transactions/transfers (as applicable) during an outage period is based on the usual number of logins/transactions/transfers (as applicable) for that period of the day and that day of the week and month across both web browser and mobile app. Similarly, the actual number of logins/transactions/transfers is calculated as combined logins/transactions/transfers for web browser and mobile app.</p> <p>If the outage concerns the viewing of account information the retail payments provider will need to make an approximate assessment of how widespread the issue is across the customers that would normally log in over the period of the incident.</p>
<p><i>Make/receive account transfers – fast payments</i></p>	<p>Inability to clear or settle inbound and/or outbound payments (including due to issues at the institution or at the direct participant through which the institution connects to the NPP).</p> <p>OR</p> <p>Inability by a payee bank to credit receiving customer accounts within 30 minutes after either a valid clearing message or positive settlement notification has been received (in accordance with applicable overlay requirements).</p> <p>Excludes the inability to initiate NPP/Osko payments due to unavailability of web or app banking channels, or a branch.</p>	<p>At least 10% of the number of transactions are affected, for at least 30 minutes.</p> <p>Customer reach of the outage is calculated as the number of failed incoming and outgoing NPP transactions during the outage, as a proportion of the total number of NPP incoming and outgoing transactions attempted during outage.</p> <p>Where failed transactions cannot be determined, customer reach can be estimated as expected transactions minus actual transactions, as a proportion of expected transactions. Expected transactions are based on the usual number of incoming and outgoing transactions for that period of the day and that day of the week and month.</p>
<p><i>Make/receive account transfers – next business day</i></p>	<p>Inability to clear or settle inbound and/or outbound BECS or BPAY payments (including due to issues at the institution or at its clearing/ settlement agent).</p> <p>OR</p> <p>Inability by a payee bank to credit receiving customer accounts.</p> <p>For indirect clearing/settling institutions, includes inability to send or receive instructions or files to/from the clearing/settlement agent.</p> <p>Excludes the inability to initiate BECS or BPAY payments due to unavailability of web or app banking channels, or a branch.</p>	<p>At least 10% of the day's number of incoming or outgoing transactions are not processed or posted by the end of the day.</p> <p>Customer reach of the outage is calculated as the number of failed transactions for the day as a proportion of total transactions for the day.</p> <p>Total transactions for the day is the sum of all incoming and outgoing BECS and BPAY transactions for the day.</p> <p>Any transactions in the <i>last</i> BECS exchange (10:30pm) of the day are considered to be the next day's transactions.</p>