



RESERVE BANK OF AUSTRALIA

65 Martin Place  
Sydney NSW 2000

GPO Box 3947  
Sydney NSW 2001

+61 2 9551 9507  
lowep@rba.gov.au

Philip Lowe  
GOVERNOR

27 September 2018

Mr Shayne Elliott  
Chief Executive Officer  
ANZ Banking Group  
Level 10, ANZ Centre Melbourne  
833 Collins Street  
DOCKLANDS VIC 3008

**By Email**

Dear Shayne

I am writing on behalf of the Payments System Board regarding the New Payments Platform. The Board recognises the considerable effort and investment the industry has made in developing this new system. It is, however, concerned about the speed at which NPP functionality is being rolled out and is seeking assurances from the major banks that they remain committed to devoting appropriate resources to it.

At its August meeting, the Board heard that the rollout of the NPP has varied significantly across the major banks, but that overall the rollout is probably only now reaching the level that had been anticipated for the launch date. NPP functionality at most banks is still limited in significant respects, including the available channels, and the reachability of and registration process for PayIDs. In addition, the slow progress of some banks has pushed back the expected availability of the next Osko overlays (request to pay and payment with document). The risk is that the availability of these overlays will be constrained by the slowest mover.

This slower-than-expected rollout is having a negative effect on other parts of the payments industry. The lack of ubiquity and functionality is being construed by some as indicating problems in NPP access arrangements. It is also reducing the incentive for industry participants to develop innovative payment solutions that use the NPP, since they cannot be confident that they will benefit from the network externalities that arise when a payment system is widely available. The concern is that the slow rollout is limiting both competition and innovation.

Given these issues, the Board has asked me to obtain assurances from the major banks that they are putting a sufficiently high priority on continuing their internal projects to allow their customers, and those of other institutions, to benefit from this important national infrastructure. I would be grateful if you could provide me with an update by 19 October, including projected timelines, of your plans to broaden the availability of faster payments to your customers and your plans regarding the additional functionality that the industry is looking to deliver through NPPA or planned overlay services.

Yours sincerely

A handwritten signature in blue ink that reads "Philip Lowe". The signature is written in a cursive style with a large initial "P".

cc: Mr Andrew Thorburn, National Australia Bank  
Mr Matt Comyn, Commonwealth Bank  
Mr Brian Hartzler, Westpac Group



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Philip Lowe  
GOVERNOR

27 September 2018

Mr Matt Comyn  
Managing Director and  
Chief Executive Officer  
Commonwealth Bank  
Level 18, Darling Park Tower 1  
201 Sussex Street  
SYDNEY NSW 2000

**By Email**

Dear Matt

I am writing on behalf of the Payments System Board regarding the New Payments Platform. The Board recognises the considerable effort and investment the industry has made in developing this new system. It is, however, concerned about the speed at which NPP functionality is being rolled out and is seeking assurances from the major banks that they remain committed to devoting appropriate resources to it.

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cc: Mr Andrew Thorburn, National Australia Bank  
Mr Brian Hartzler, Westpac Group  
Mr Shayne Elliott, ANZ Banking Group



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Philip Lowe  
GOVERNOR

27 September 2018

Mr Andrew Thorburn  
Group Chief Executive Officer  
National Australia Bank Limited  
800 Bourke Street  
DOCKLANDS VIC 3008

**By Email**

Dear Andrew

I am writing on behalf of the Payments System Board regarding the New Payments Platform. The Board recognises the considerable effort and investment the industry has made in developing this new system. It is, however, concerned about the speed at which NPP functionality is being rolled out and is seeking assurances from the major banks that they remain committed to devoting appropriate resources to it.

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cc: Mr Matt Comyn, Commonwealth Bank  
Mr Brian Hartzer, Westpac Group  
Mr Shayne Elliott, ANZ Banking Group



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Philip Lowe  
GOVERNOR

27 September 2018

Mr Brian Hartzler  
Chief Executive Officer  
Westpac Group  
275 Kent Street  
SYDNEY NSW 2000

**By Email**

Dear Brian

I am writing on behalf of the Payments System Board regarding the New Payments Platform. The Board recognises the considerable effort and investment the industry has made in developing this new system. It is, however, concerned about the speed at which NPP functionality is being rolled out and is seeking assurances from the major banks that they remain committed to devoting appropriate resources to it.

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