



**BPAY Pty Ltd**

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**Reserve Bank of Australia**

65 Martin Place  
SYDNEY, NSW 2000

**28 November 2018**

**By Email:** [nppsubmissions@rba.gov.au](mailto:nppsubmissions@rba.gov.au)

Dear Sir/Madam

**Submission in response to the RBA's consultation on New Payments Platform  
Functionality and Access**

BPAY appreciates the opportunity to respond to the RBA's consultation on issues relating to the functionality and access arrangements for the New Payments Platform (NPP).

BPAY is Australia's leading payments scheme and operates for the benefit of more than 150 member financial institutions, covering 95 per cent of the consumer banking market. The BPAY Scheme was established in 1997 as a result of a group of banks joining forces to provide a world-leading and efficient electronic bill payment service that saves banks, businesses and consumers time and money. Since then, we have continuously innovated to enhance our existing services and to introduce new services.

In February 2018, the BPAY Group launched its new payment product, Osko by BPAY®. Osko® is the first product available on the NPP and is a whole new way to pay and get paid. Osko will make payments faster, easier and more convenient than ever before – via any participating financial institution.

Since launch, BPAY has onboarded more than 60 financial institutions including the four major banks. Osko is starting to take shape with 400,000 transactions per day growing to an estimated 1.5 million transactions by March 2019.

BPAY sets out membership criteria that apply to those that want to offer Osko to their customers. Members have two options, namely, to either access NPP functionality directly as an NPP Participant or indirectly through third party arrangements with NPP Participants.

BPAY regularly reviews its membership criteria to ensure that it continues to be open, objective, risk based, competitively neutral and transparent while balancing the need to provide for appropriate levels of protection for the security, integrity and reputation of BPAY's products and services.

When initially introduced, there was a requirement that Osko members be Authorised Deposit Taking Institutions. Following the launch of Osko, BPAY reviewed the membership criteria for Osko and expanded it to also include organisations which hold an Australian Financial Services Licence which allows them to offer Osko to their customers (or are otherwise exempted by ASIC from doing so). The expanded membership criteria has enabled neobanks, smaller financial services providers and fintechs to offer Osko to their customers. Since the implementation of the new membership criteria, we are certifying 2 neobanks and have received a number of enquiries from fintechs wishing to offer Osko to their customers.

BPAY will continue to review our membership criteria to ensure that it remains open, objective, risk based, competitively neutral and transparent, therefore ensuring that Osko is able to be offered to as many customers as possible.

Having membership requirements that appropriately balance these objectives is key to the long term success of Osko. That is, we want a system that is as open as possible because the more members, the greater the reach for the service (and therefore the more likely that the service will be successful over time). At the same time, we need to ensure that the system remains safe and secure as trust and confidence on the integrity of the system are also key to long term success. In this regard, we consider that the Osko membership criteria offers an adequate balance, and more importantly, we consider that the various ways of participating in Osko are also flexible enough and appropriate to the circumstances.

BPAY is willing to discuss these and related matters with you at any time.

Kind Regards,

A handwritten signature in black ink that reads "M Williams". The signature is written in a cursive, slightly slanted style.

**Mark Williams**  
**Chief Strategy Officer**