

11 July 2023

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

By email: [pysubmissions@rba.gov.au](mailto:pysubmissions@rba.gov.au)

Dear Mr Connolly

**The Australian Debit Card Market: Default Settings and Tokenisation—Issues Paper**

1. The Financial Services Committee of the Business Law Section of the Law Council of Australia (the **Committee**) monitors developments in the laws and regulations governing financial services, actively contributing to public consultation on changes to these laws. These include, for example, the licensing regimes governing the provision of financial services and credit services, the National Credit Code, the Banking Code of Practice, the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and the *Personal Property Securities Act 2009* (Cth).
2. The Committee thanks the Reserve Bank of Australia (the **RBA**) for the opportunity to provide feedback on the Issues Paper titled “The Australian Debit Card Market: Default Settings and Tokenisation”, which was released for consultation on 16 June 2023 (the **Issues Paper**).

Background

3. The Issues Paper seeks stakeholders’ views on:
  - (a) the benefits and costs of actions to prohibit the practice of a default routing network being set at issuance on dual-network debit cards; and
  - (b) expectations that the RBA could set for the industry to address the issue of merchants and payment service providers retaining sensitive card details, with a view to substantially reducing the amount of sensitive card details held across the industry by the end of 2024.

Committee position

4. The Committee agrees that it is appropriate for the RBA to consult on the matters canvassed in the Issues Paper and is supportive of its overarching objectives of promoting competition and security in the Australian debit card market.

5. As the questions raised in the Issues Paper concern policy positions rather than any proposed draft legislation, the Committee considers that it is more appropriate for directly impacted stakeholders to provide feedback to the RBA at this juncture.
6. However, as the policy development process progresses towards legislative implementation, the Committee would be happy to engage in subsequent formal or informal consultation relating to potential law reform, including acting as a sounding board to provide preliminary feedback.
7. If the RBA has any questions or would like to further discuss any matters with the Committee, please do not hesitate to contact the Committee's Chair, Pip Bell ([pbell@pmclegal-australia.com](mailto:pbell@pmclegal-australia.com)).

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Argy', with a long, sweeping flourish extending to the right.

**Philip Argy**  
**Chairman**  
**Business Law Section**