



**Abacus**  
Australian Mutuals

Association of Building Societies and Credit Unions

## MEDIA RELEASE

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### **Credit unions, building societies back EFTPOS scheme moves**

*Abacus – Australian Mutuals* says consumers are likely to benefit from moves to strengthen the EFTPOS debit card system.

Abacus is the industry association for credit unions and mutual building societies. There are 150 credit unions and mutual building societies in Australia, with more than 4.5 million members and more than \$60 billion in total assets.

Credit unions and building societies are significant participants in the EFTPOS system and have long recognised the potential for the system to become even stronger, for example, through reform of interchange fees.

"EFTPOS debit is popular, secure and reliable but as a payment product it has to compete against Visa Debit and MasterCard debit and credit cards," said Abacus Head of Public Affairs, Louise Petschler.

"We welcome consideration of a commercial scheme to operate the EFTPOS system and for the promotion and development of the EFTPOS system," Ms Petschler said. "As the Australian Bankers' Association has confirmed today, the current governance system for EFTPOS can make investment coordination more difficult."

Credit unions and building societies use suppliers such as Cuscal Ltd, Indue and Australian Settlements Limited to connect with other EFTPOS system participants, such as large banks. Cuscal has bilateral interchange agreements with the major banks and others. As an example of the sector's participation in EFTPOS, over the past 12 months Cuscal processed more than 90 million EFTPOS debit transactions.

"From a card issuer perspective, the RBA's reforms to EFTPOS debit interchange fees have made the EFTPOS system more competitive with the scheme debit products," Ms Petschler said. "However, further investment and innovation in the EFTPOS system could make EFTPOS debit even more attractive to issuers and card holders, as would further interchange fee reforms."

"Credit unions and building societies have been strong supporters of Visa Debit for 25 years and currently issue around one third of all Visa Debit cards in Australia. Visa Debit is of great benefit to credit union and mutual building society members because Visa Debit allows members to use their own funds to make purchases overseas, on the internet and by telephone and post."

#### **For more information:**

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