

MEDIA RELEASE

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Payments System Board recognises mutual ATM networks

Abacus – Australian Mutuals has welcomed today's announcement on ATMs by the Payments System Board that unambiguously recognises the important place of credit unions and mutual building societies in providing ATM services.

Credit unions and mutual building societies can continue to participate in networks to provide competitive and essential ATM services to more than 4.5 million members across Australia.

"Since the need for ATM reform was first mooted by the RBA seven years ago, *Abacus* has worked closely with the RBA and other industry participants to reach agreement on how the system should operate in future," said *Abacus* CEO, Adrian Lovney.

Abacus maintained that any ATM reforms should accommodate the important role played by mutual banking organisations, by allowing them to retain aggregated ATM networks.

"At all times we have worked to protect the interests of the more than 4.5 million Australians who are members of credit unions and mutual building societies. The mutual ATM networks are critical to ensuring healthy competition and diversity in the banking sector," said Mr Lovney.

"Their existence keeps competition alive between smaller institutions and the major banks. Competition means choice – and choice benefits all consumers."

Credit unions and mutual building societies have for many years supported options to bring competitive pressures on ATM fees, aiming to deliver consumer benefits and to also protect the important role of smaller institutions and their customers.

Today's announcement is only a first step. The challenge now is how to implement the direct charging reforms and how to limit the impact on consumers.

Whilst the reforms are aimed at increasing competition, international experience with direct charging or surcharging has shown that some consumers face significant fee increases for ATM transactions. The ability for mutual ADIs to deliver aggregated low-cost surcharge free networks to their members is critical in a direct charging environment.

"Consumers will face a myriad of options and fees in a direct charging environment, and some will end up paying more for ATM transactions," said Mr Lovney.

"Mutuals will respond to this challenge – through co-operation and by putting our members first, providing them with competitive ATM services."

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