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Fairer Merchant Fees Alliance welcomes Westpac leadership on Least Cost Routing

The Fairer Merchant Fees Alliance has welcomed Westpac's move to introduce Least Cost Routing for its small business customers, saying it shows real leadership at a time of serious economic challenges.

The first of the big four banks to do so, Westpac will soon begin processing contactless debit card payments over the eftpos network for thousands of its merchant customers – creating significant fee savings when they are most needed.

The heads of the Australian Retailers Association (ARA), the Council of Small Business Australia (COSBOA), the Australian Convenience and Petroleum Marketers Association (ACAPMA), and Master Grocers Australia (MGA) were united in viewing the move as a breakthrough after several years of discussion and policy support from Government.

“Westpac is doing the right thing for its small business customers, many of whom are reeling as a result of COVID,” said ARA CEO Paul Zahra. “They have shown a real commitment in getting this over the line, and the leadership to be the first of Australia's large banks to make the move – many retailers will be very grateful.”

COSBOA CEO Peter Strong said that small businesses, especially in Victoria, needed every dollar of cost savings they could get. “Small businesses around Australia, and especially in Victoria where there is so much economic hardship right now, will appreciate Westpac's implementation of Least Cost Routing, and for reaching out to educate them on the available savings. In a complex area, it's great to see a major bank practice transparency and openness.”

ACAPMA CEO Mark McKenzie explained that Westpac's decision could make a real difference to struggling businesses. “Sometimes it's hard for a big business to understand what a small business has to go through just to survive, especially in very difficult economic circumstances. Many of our members could benefit from this, and we know they will be grateful for the support.”

Master Grocers CEO Jos De Bruin added that recent calls from Employment Minister Michaelia Cash, Small Business Ombudsman Kate Carnell and the RBA had clearly been heard. “Many people have been calling for the proper introduction of Least Cost Routing for several years, and now is the time to get it done. Westpac are showing corporate responsibility here by supporting small business, and also by listening to the views of Government and the RBA, who have been pushing for this to happen.”

The FMFA members will continue to encourage the other big banks to implement Least Cost Routing, in line with their ongoing commitment to support the small business community.

Least Cost Routing effectively gives merchants the ability to route a 'tap and go' debit card payment through the network with the lowest fees, saving them money. This is especially important as the current system often forces merchants into higher fee networks, costing the economy over \$550 million a year.

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About the Fairer Merchant Fees Alliance

The Fairer Merchant Fees Alliance comprises four of Australia's leading retail industry associations who are working together to help businesses across the country benefit from lower card payments fees. These associations are:

- The Australian Convenience and Petroleum Marketers Association (ACAPMA) – The national peak body representing the interests of the petroleum distribution and petroleum retail industry.
- The Australian Retailers Association (ARA) – Founded in 1903, the ARA is Australia's largest association, representing the country's \$325 billion sector, which employs almost 1.3 million people.
- The Council of Small Business Australia (COSBOA) – The country's peak body exclusively representing the interests of small business.
- Master Grocers Australia (MGA) – The premier employer organisation for independent businesses Australia wide.