

Submission Response: Costs to businesses and consumers of card payments in Aotearoa New Zealand: Consultation Paper

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Sent: Wednesday, July 24, 2024 3:52 PM
To: Internal Feedback <internalfeedback@comcom.govt.nz>
Subject: Card surcharges - feedback

[REDACTED]

Hearing you speak on TV One's Breakfast show this morning, this is my feedback. Whilst I do think that 0.7% seems a fair charge for contactless payments, I'd like to ask the more relevant question:

Why is this fee a percentage, rather than a set fee?

Surely the cost of processing payments is *per transaction*, rather than *per dollar*? And this fee is described as a "cost recovery" charge.

Or, does it cost more to process a transaction of \$1,000 than it does for one of \$10?

Percentages are becoming more and more common as a charging method and I think they are only appropriate if the cost of dealing with something varies with the value of dealing with it. Bank fees are usually tied to the *number* of monthly transactions on certain accounts, not a *percentage* of the funds passing through that account. If banks can do this, why can't credit or debit card companies (or their terminal software suppliers) charge a *set fee per payment*?

I look forward to a response, and to an explanation, if there is one. Thank you for requesting my feedback.

Kind regards

[REDACTED]