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Retail Payment System

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

Submission Template



Our Company is The Urban Cheese Company. We are largely an on-line business selling cheese making supplies, however we do accept customers at our “shop” where we display the products we have available. We do not believe the scope of the consultation from the commerce commission covers the fees charged by on-line payment providers ([REDACTED]) and that the costs that these providers charge should also be considered,

We do not offer payment through an Eftpos terminal at our shop simply because there is not sufficient customers to afford the outlay (let alone the fees). Payment is generally made by internet banking using the app on our customers’ phones.

Otherwise, we have the responses to the first two questions in you Table. We otherwise have no knowledge of how the system works to address the other questions you raise. However, we do agree with the Commerce Commission’s attempt to address the cost of these transactions. As an example If people have Rewards on their credit cards (e.g. Airpoints) any transaction fee over 0.9% is more than the value of awards granted [REDACTED] by using the credit card. Therefore, it is not worth using the credit card.

Following is the answers to the relevant questions you have raised.

Table 1.1 Full list of our submission questions

Question number	Target Audience	Question
1	Merchants	Do merchant service fee complexities drive challenges in determining whether and how you surcharge?
		Our business is an on-line business where we accept payment by credit card, Paywave, Poli (internet banking) and cash on collection. The fees charged by the payment providers are clearly set out in their offer of service. Our website is programmed to calculate the fee for each transaction and pass it on directly. It is not difficult to do that programming. The fees we consider to be very high and we cannot absorb those into our business. Note we absorb the fixed fee from POLi
2	Merchants	Would you consider lowering or even ceasing to surcharge if your merchant service fees were less than 1% for in person card payments?
		No we would still pass on the fee for the credit card or Paywave transaction fee due to the scale of our business.
4	All stakeholders	We welcome further evidence of any other issues within the New Zealand retail payment system
		As discussed above please expand to providers of payment systems on websites.