

MEDIA RELEASE

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Payments Industry Committee, AP+ welcome ACCC merger approval

- The ACCC has authorised the amalgamation of BPAY Group, eftpos and NPPA to form Australian Payments Plus
- The three entities and brands will be maintained, but report to the single AP+ Board
- Work is underway to recruit the AP+ Board and bring together the employees of the three entities

The Industry Committee and Australian Payments Plus (AP+) welcome the Australian Competition and Consumer Commission's (ACCC) decision to authorise the amalgamation of BPAY Group, eftpos and New Payments Platform Australia (NPPA). In the Summary of its Final Determination, the Commission states that the merger of the three payment schemes would not risk substantially lessening competition.

In its media release the ACCC states it “found that competition between the payment services of eftpos, BPAY and NPPA is marginal, because their core payment services are for different uses and are largely complementary.”

Mr Rod Sims, the Chair of the ACCC stated: *“Further, the merger will enable the three payment schemes to coordinate investment proposals and avoid inefficient duplicative spending. Importantly, this will increase the likelihood of the major banks and other shareholders investing in domestic payment services. This is likely to result in public benefit, by placing them in a better position to deliver payment service initiatives more quickly and successfully, for the benefit of consumers and businesses.”*

The Industry Committee and AP+ are delighted with today's decision and thank the ACCC for conducting a constructive and thorough six-month assessment involving extensive consultations with all key stakeholders.

Industry Committee¹ Chair, Robert Milliner, said the amalgamation of BPAY Group, eftpos and NPPA under AP+ would create a more innovative and efficient entity that's better able to compete against international card schemes and Big Tech.

“This is an exciting day for all users of Australia's payments system, as we are now in a position to better coordinate investments in payment innovations, bring new products to market faster and work together to bring down transaction costs.”

Each of the three payment schemes will be preserved as distinct brands and operations, but will work together under a Single Board to collaborate on new products and capabilities.

“I want to thank the three CEOs of BPAY Group, eftpos and NPPA – John Banfield, Stephen Benton and Adrian Lovney – as well as all the hard working employees across the three companies. Your constructive input and endorsement over the last nine months has been critical to today's successful outcome,” said Milliner.

AP+'s inaugural Independent Non-Executive Chair, Catherine Brenner, said she was now in the process of recruiting the remaining three independent Directors to the 13 person AP+ Board.

¹ The Industry Committee represents the Applicants to the ACCC – including ANZ, ASL, Bendigo and Adelaide Bank Limited, CBA, Coles Group Limited, Cuscal Limited, First Data Network Australia Limited trading as Fiserv, HSBC Bank Australia Limited, Macquarie Bank Limited, NAB, Tyro Payments Limited, WBC and Woolworths Group Limited.

“Today marks the start of BPAY, eftpos and NPPA working together to form AP+. Over the coming months, the three entities will complete a number of corporate restructuring steps, including transitioning to a single Board structure. This includes the three entities moving into the same premises and establishing working groups for staff to share ideas and work streams. The transition to the single Board structure is expected to be complete by Christmas.”

“Additionally, I am in the process of recruiting the remaining three independent Directors who will sit on the 13-person Board alongside nine nominee Directors who represent the shareholders, including the four major banks, other ADIs and non-ADIs.”

Under the new, more representative governance structure, all Directors will have one vote regardless of their shareholding.

“We will establish the End User Committee that represents the views of consumers, small businesses, industry associations, charities, corporations, fintechs and government departments. The Committee will be chaired by one of the Independent Board Directors. We will work to ensure that this diverse range of stakeholders are considered and represented in the Board’s decision-making about how to allocate resources and investment,” said Brenner.

AP+ will honour the undertaking it offered to the ACCC, which is a condition of the ACCC’s decision. The undertaking reinforces our commitment to facilitate LCR and maintain eftpos’ services and infrastructure. The undertaking also reflects a commitment to deliver a set of specific payments innovations (described as prescribed services) over the next two years – the majority of which will strengthen eftpos and its ability to compete with international card schemes and also develop, in conjunction with the Australian payments industry, a QR code standard for AP+.

The undertaking is enforceable by the court and will be monitored by an independent auditor who will report to the ACCC for a period of four years. AP+ remains entirely committed to the ongoing preservation of eftpos – as it’s a key reason why we are doing this merger in the first place. While LCR will be unaffected by this merger, the four year term of the undertaking should provide comfort to businesses knowing that we are prepared to take all reasonable steps to ensure LCR’s availability.

On behalf of all members of the Industry Committee and shareholders of AP+, we look forward to this new chapter in Australia’s payments history.

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