

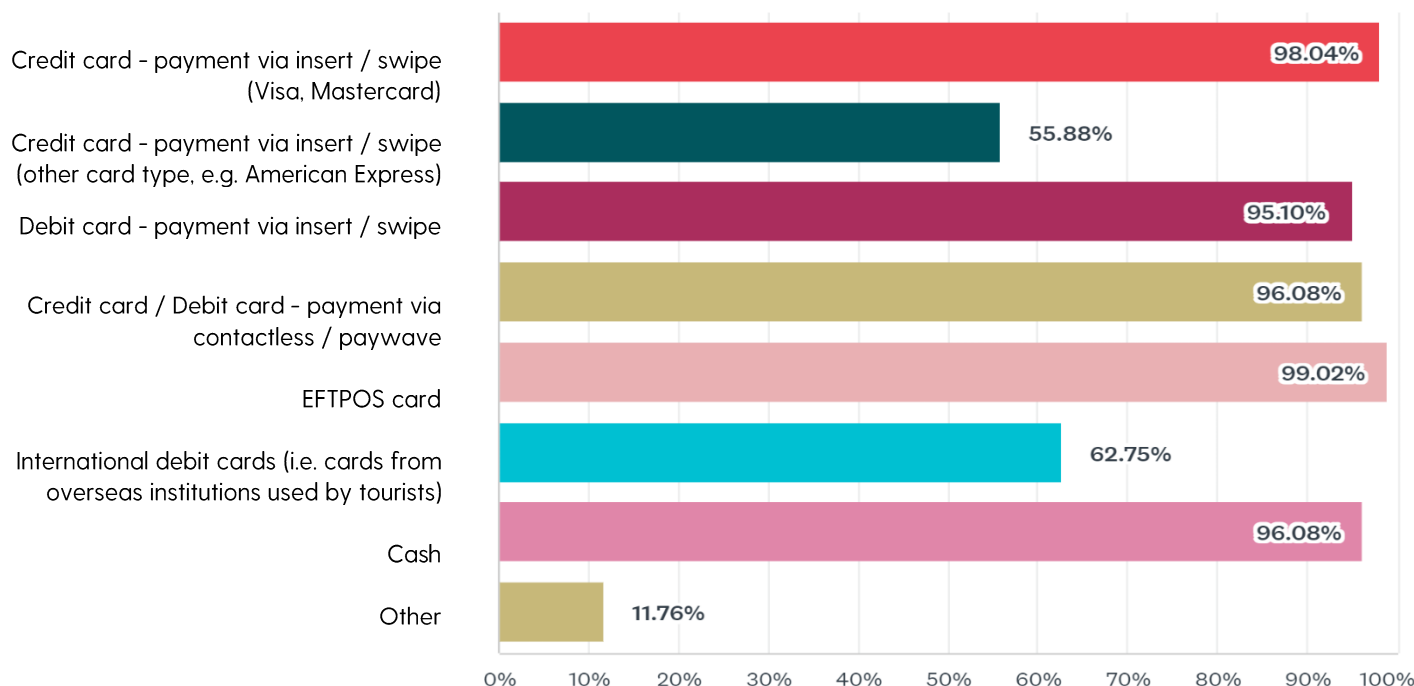
Retail Payment System and Interchange Fees

NATIONWIDE

AUGUST 2024

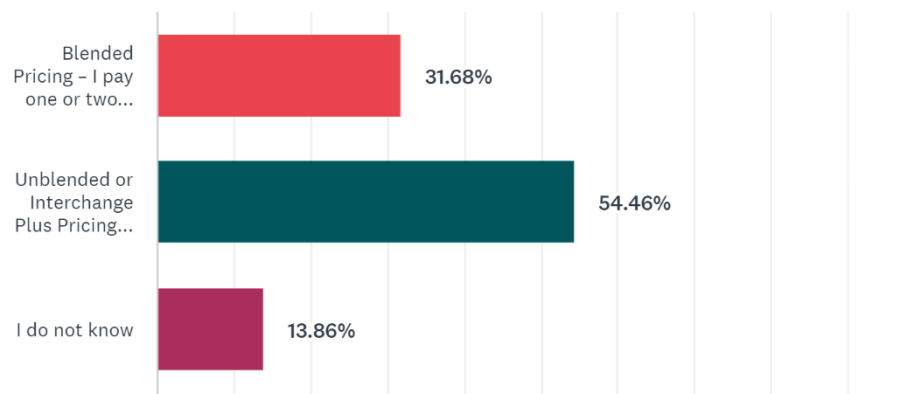
www.restaurantnz.co.nz

Q.1. What forms of payment does your business accept? [Select all that apply]

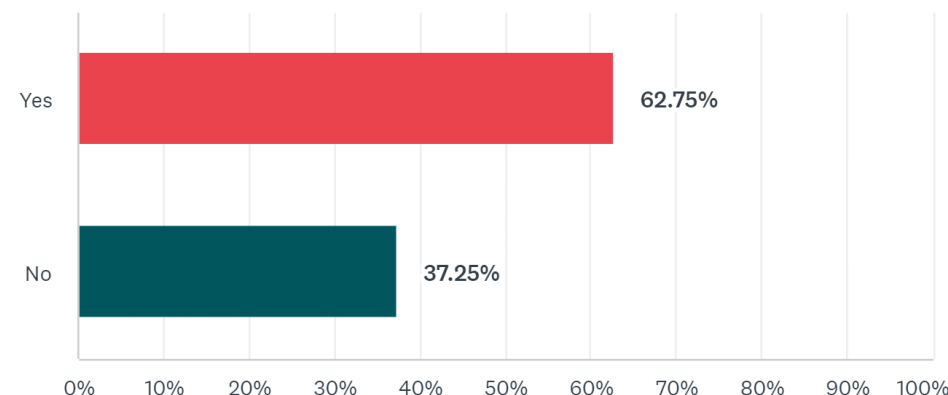


Credit card - payment via insert / swipe (Visa, Mastercard)	98.04%
Credit card - payment via insert / swipe (other card type, e.g. American Express)	55.88%
Debit card - payment via insert / swipe	95.10%
Credit card / Debit card - payment via contactless / paywave	96.08%
EFTPOS card	99.02%
International debit cards (i.e. cards from overseas institutions used by tourists)	62.75%
Cash	96.08%
Other (please specify)	11.76%

Q.2. What type of pricing plan are you currently on for your merchant service fees?

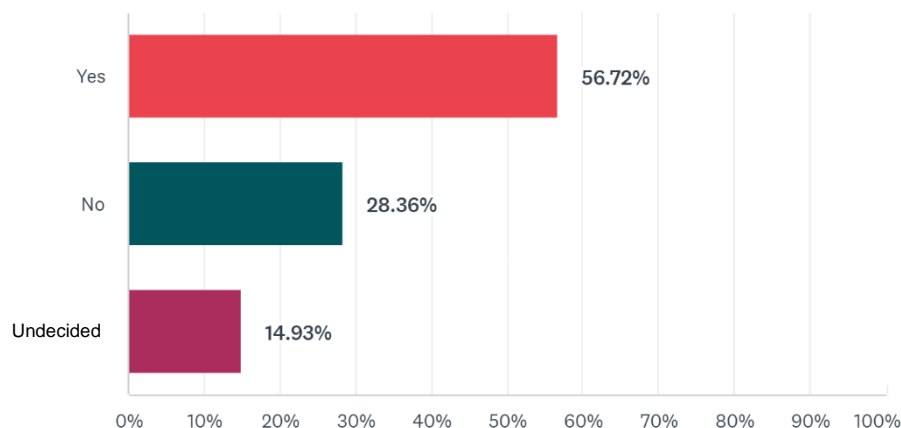


Q.3. Do you currently surcharge?

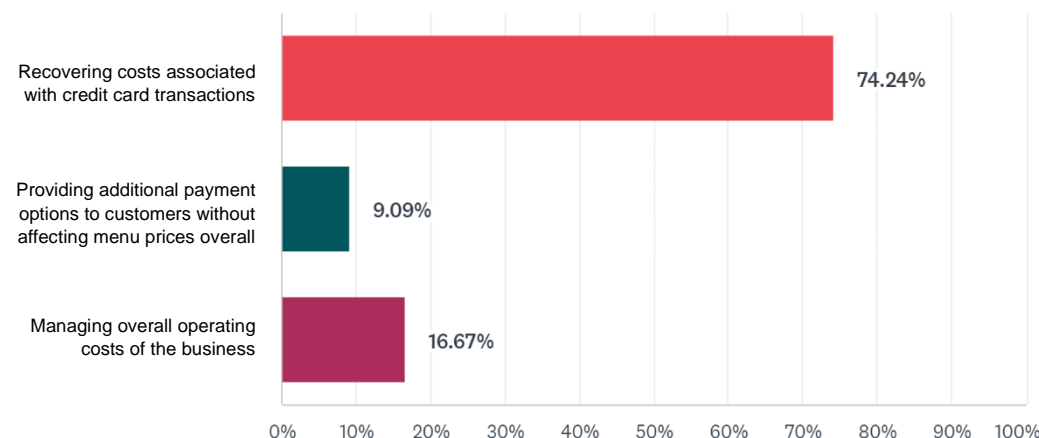


For those that do surcharge, the average rate is: 1.9 per cent

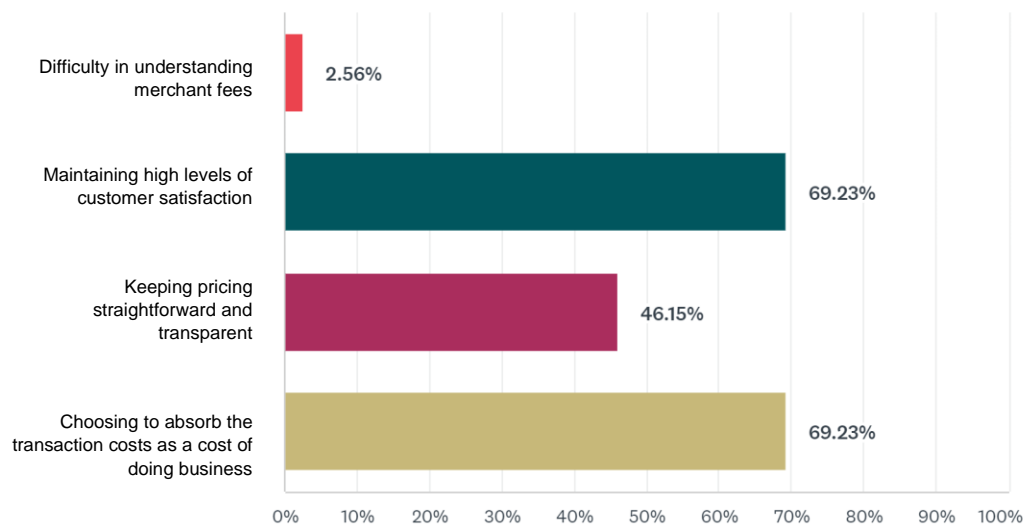
Q.4. For those that answered yes to Q3, would you consider lowering or removing your surcharge if your merchant service fees were less than 1%?



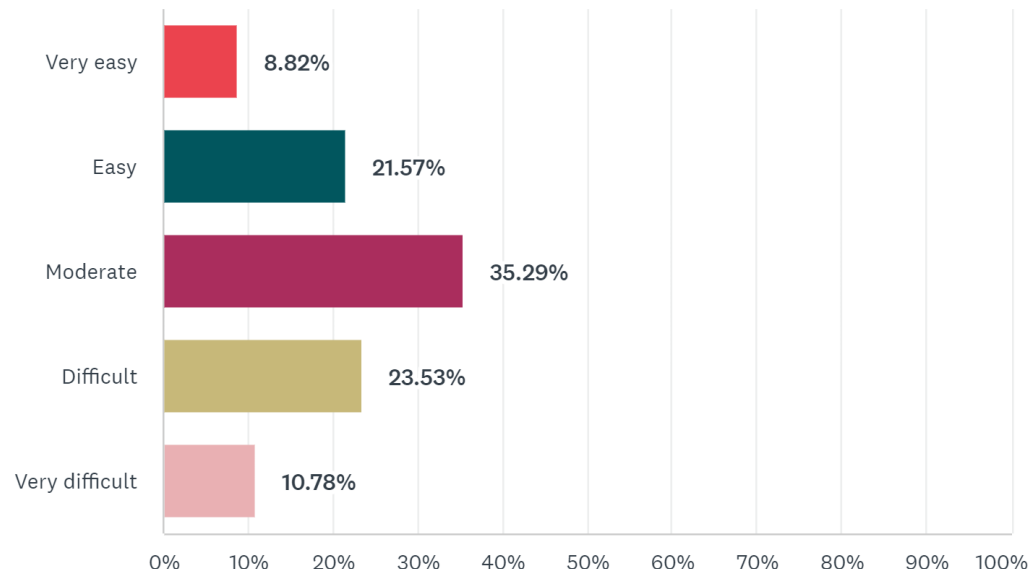
Q.5. If you DO surcharge, what are your key reasons for surcharging?



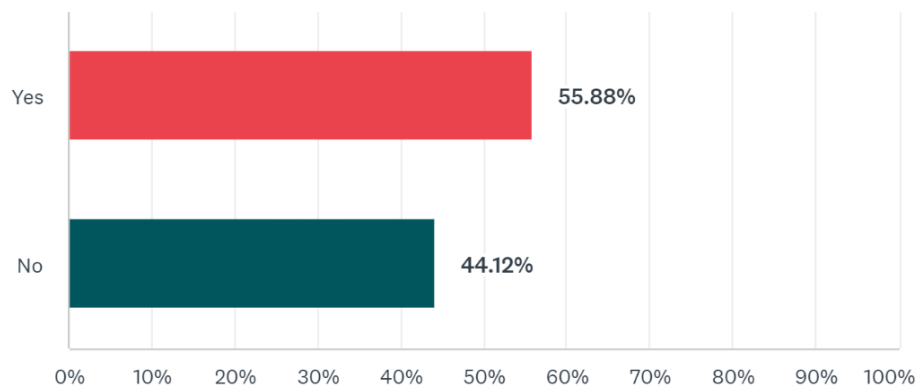
Q.6. If you DON'T surcharge, what are your key reasons for not surcharging?



Q.7. How easy or difficult is it for you to understand the merchant service fees you are paying?



Q.8. Have you compared merchant service fees from other providers?



selected final comments:

At approx \$6000 a year in merchant fees, I can't afford to not pass the cost back to the customer.

It would help if surcharges were less than 1% and payment would go daily or weekly instead of monthly.

I have always wondered how the credit card user is charged a fee to hold the card then also further fees are used with each transaction. What is the cost to the bank for transactions to be made?

We sought out a specialist to get us the best deal on surcharge rates and changed banks because of it. Annoying changing banks, a lot of paperwork and time to do this.

Fees are too high and there should not be a charge passed on. It is just another cost and should be part of costs for doing business.

There should be no cost to pay by payWave for eftpos and fees should be well below 1 percent for other transactions.

Why is it always the business owner that is pressured into adding all extra costs into the menu price. If an extra cost is thrust upon us be it by law or by the banks then this needs to be transparent and shown as a real cost.

Business owners cannot just keep paying for everything and "absorb" the cost".

Have recently signed up for all-in-one service offering which will include terminal, network and merchant fees in one bill and a net reduction in overall monthly charges

Merchant service fees should be below 0.5% before I would consider removing a surcharge.

I think many merchants are over-surcharging. The banks are ripping us off.

We would love fees to be lowered, however clients are used to paying them now, so we would reduce them if they lower, but not remove them.

We really did not want to start on-charging them but with overall increased costs, lower margins and then the kicker - an 18% rent rise last December we had no choice [but to pass this cost on].

We are currently looking at moving to another provider - where they offered a set fee and free terminal- however are reluctant to go into a contract if fees may get lowered. Would be keen to be updated.

The RA was very helpful a few years ago, making sure we got better rates from our bank.

We were paying upwards of \$1000 per week in bank fee's this is way too much to absorb and was affecting our profit margins.

We have the fee well displayed. It's about 50/50 as to whether the customer pay waves or whether they insert a PIN number.

Given the profitability of banks the rising costs in transaction fees become questionable. While you can switch merchants, the fee structures are all similar along with interchange fees so there's not really any real competition or incentive for providers to lower charges. Covid pushed more people towards contactless payment and banks have benefited

I have too much resistance as it is without adding a surcharge. The older population in the area don't trust electronic banking. We absorb the fees and would like to see them lowered.

The year it cost us \$35,000 in fees it was time to act. The interchange fees mean we have no negotiating power. If fees were reasonable we would look at returning to no surcharge. Urgently needs regulating. This should not be in control of business owners. Costs need to be part of service.

Currently because we surcharge we're indifferent to fees. But if they could be lowered, we would lower our surcharge and pass on to customers.

Merchant fees are incredibly confusing. We have been trying to understand how they are charged for a long time. Our bookkeepers and accountants are also confused!

At our place, we don't automatically take the surcharge, instead we ask the guest first, then act according to the payment type. We used to pay lots for merchant fees, since we put the sign and show the guest there will be surcharges. It helps significantly, some guest are fine with the surcharge, and some are changing their mind to used EFTPOS rather pay with extra fees.

I think it's ridiculous that retailers can't manage this cost and absorb it. I get a lot of feedback from customers about how much it makes them annoyed to pay a surcharge. Especially is hospitality, you can build it into your pricing.

Oh please help on reducing fees, honestly, it's scandalous how much commission is taken from our business. Just look at their profit levels, so grateful this is being looked into.

Merchant fees are absurdly frustrating. We have no choice but to accept credit cards as payments. Customers who use premium credit cards think they are being fiscally responsible because they get rewards, structure their finances well, or whatever reason they use the card. But they are totally unaware that small businesses are paying a cost for their convenience. It's also frustrating that paywave cannot discriminate between a credit card or EFTPOS card. So customers are charged a surcharge for EFTPOS paywave, even though we do not incur a higher fee for these transactions. The whole perception of surcharges as a way to nickle and dime customers is unfortunate. They don't realise that these charges don't cover the cost of the merchant fees or that we have to pay GST on these surcharges. More transparency and public awareness would be nice. At the end of the day, the banks and credit card companies are the silent winners while small businesses and their customers are the ones having these uncomfortable conversations about extra costs at a time where everyone is trying to save as much as possible just to get by.

Reducing fees from banks can put less pressure on small business so they can reduce surcharge to customers.

We have recently decided that while we have absorbed the cost of contactless up until now, at the end of the month we are expecting to introduce a 1.5% surcharge. We have been resistant to it but will provide notice to our customers in the weeks prior & hope the damage is minimal.

We resisted for years charging a surcharge but the increase especially in contactless fees has meant we have had to.