



Australian businesses face a complex web of transaction fees. Recent data from the Reserve Bank of Australia reveals that while EFTPOS continues to offer the lowest merchant fees at 0.30%, it's rapidly losing market share to major credit card companies.

Credit Card Compare, the Australian credit card comparison website, analysed the latest data from the RBA, and according to Gareth Boyd, the company's Head of Growth, businesses are paying out more in fees than they were.

"What we're seeing is a significant shift in consumer preferences towards cards", said Boyd. "While EFTPOS has long been the go-to for budget-conscious businesses, that doesn't necessarily align with what the customer wants."

The RBA data shows that Visa and Mastercard debit transactions now cost merchants an average of 0.51%, up from 0.46% just a year ago. Credit card fees are even higher, with businesses paying around 0.92% per transaction.

American Express, known for its premium cards and rewards programs, comes with the steepest fees, averaging 1.33% per transaction. This is significantly higher than its competitors, but has actually decreased slightly from 1.34% in the previous year.

"This difference may seem small, but for businesses operating on tight margins, it can have a substantial impact on profitability," Boyd says.

The shift away from EFTPOS is largely driven by consumer demand for rewards programs and the convenience of contactless payments. Major credit cards have invested heavily in these areas, leaving EFTPOS struggling to keep up since it lacks any kind of rewards incentive.

For larger purchases, many businesses are finding that the higher fees associated with credit cards are offset by increased sales and customer loyalty.

Businesses are being forced to adapt to the changing payments landscape and consumer whims. "Understanding the fee structure for different payment types is crucial," says Boyd.

With EFTPOS fighting to maintain relevance and major card companies heavily promoting their rewards programs, Australian businesses will need to stay agile in their approach to payment acceptance. The key, it seems, is finding the right balance between cost-effectiveness and meeting consumer preferences.

You can track the latest payments statistics on [RBA.gov.au](https://www.rba.gov.au) or visit [CreditCardCompare.com.au](https://www.creditcardcompare.com.au) for the latest in consumer and business credit card offers.