

Merchant Agreement

How to use your merchant facility

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Terms and conditions

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Welcome

Thank you

Congratulations on taking up a Commonwealth Bank merchant facility. We'd like to thank you for choosing us. Our broad range of services is designed to help you grow your business.

Remember we're here when you need us 24 hours a day, 7 days a week. Call us on **1800 022 966** or visit us at **commbank.com.au/merchantservices**

Who should read this booklet?

This booklet is for businesses that accept credit or debit cards as payment for goods or services. It applies to all facilities, including terminal-based facilities and online solutions.

Having a clear picture of how to use your facility, and the terms and conditions that apply, can help both you and us to avoid misunderstandings or situations where disputes may arise.

It's important that you read this booklet so that you understand:

- what you need to do to use your facility properly
- your obligations to us and our obligations to you.

We recommend you keep this booklet in a safe place for future reference. If you do lose it, you can call us and we will give you another copy or you can download a copy from our website.

How to use the booklet:

Part 1 – How to use your facility

We explain the day-to-day aspects of how to operate your facility, e.g. getting started, accepting payments, handling refunds, avoiding disputes and chargebacks.

Part 2 – Terms and conditions

This part sets out the terms and conditions that govern your facility and define the legal relationship between you and us. This includes what each of us is responsible for. You are bound to the terms and conditions when you process your first transaction.

Part 3 – Optional products

This part explains the rules that govern optional products and services available through your facility, such as XPOS, currency conversion and MediClear. If you don't intend to use these products or services there's no need to read this part. If at any time you upgrade your facility to include these offerings you will be bound by the terms and conditions outlined in this part.

Part 4 – Meaning of words

This part lists some key terms used in this document and what they mean.

Part 5 – Where to get help

Numbers to call and websites to visit to get more information.

Part 1: How to use your facility

1.1 About this part

In this part we explain how to:

- operate your facility
- manage risks relating to customer disputes and chargebacks.

For other useful information about your facility please refer to our Merchant services website at: **commbank.com.au/merchantservices**

1.2 Getting started

Here are the steps you need to follow to get started:

1.2.1 Step 1 – Planning ahead

You should think about which employees you will allow to use your facility, and ways to restrict their access. You should also explain this agreement to your employees and how it affects them.

1.2.2 Step 2 – We install terminals and equipment

Our installers will contact you to arrange access to your premises. On the appointed day, they will install the terminal, imprinters and any other equipment that we've agreed to give you.

If you use your own equipment or software, then it must comply with our security and other requirements.

1.2.3 Step 3 – Setting your password

Your terminal comes with a password which must be used when making certain transactions, e.g. when processing refunds.

Initially a default password applies. You must change it when you first use the terminal. You should also change your password on a regular basis and limit access to trusted staff.

1.2.4 Step 4 – Connecting online

If you are using an online solution then you must connect to our system using a method we approve and follow any instructions we provide.

1.2.5 Step 5 – Stationery

To ensure your terminal works properly, you must use our stationery. We give you an initial set of stationery to get you started. You can then start processing and banking your card transactions.

1.2.6 Step 6 – Initial training

During installation, our installers will provide start-up training on how to operate the equipment. You should then in turn train any other employees who will use the facility.

1.3 Looking after your facility

1.3.1 Terminal security

Keeping your terminal secure is very important.

If your terminal is tampered with, this could lead to events such as card or PIN details being copied or stolen by fraudsters.

If this happens you will be liable for any losses you or we suffer due to the fraudster's subsequent actions (see 2.5.4 *What you must pay us*).

Part 1: How to use your facility

To protect your terminal:

- keep the terminal in a secure location
- never leave your terminal unattended (or put it away if you need to leave the area)
- check the terminal regularly for any skimming devices and check the surrounding areas for any cameras
- don't disclose your terminal password to anyone, or only tell an employee(s) you trust to process refunds. They must keep the password secret.
- there may be times when our installer needs to work on the terminal, e.g. to inspect or replace it. Make sure they have an appointment and provide ID, and if you're suspicious or have any questions call us on **1800 022 966**.
- call us immediately on **1800 022 966** if your terminal, card imprinter, or stationery has been stolen, or tampered with.

1.3.2 If equipment fails to work

If we provide your terminals, we maintain them against wear and tear due to normal use.

Tell us immediately if our terminal is either not working or defective and we'll repair or replace it as soon as we can. Please use the downtime procedures until it is fixed or replaced (see section *1.6 If the system is down or you are a paper-based merchant*).

You must pay the costs of any repair or replacement to our equipment if you cause any damage, or if damage is caused by fire, theft, flood or any other act in or around your premises.

1.3.3 Software

Some facilities require separate operating software to be installed. If this applies you must only use software that we provide or agree that you can use. All software may only be used in accordance with the licence conditions.

1.3.4 Using your own equipment and software

If you use your own equipment or software, it must comply with our security and other requirements. You may be required to make upgrades when our standards change.

1.4 Ordering additional stationery

To order stationery, visit commbank.com.au/eftposstationery. If you don't have access to the internet, call us on **1800 022 966**. At the time you place your order we will tell you the costs, including postage. Please allow five banking days for delivery.

1.5 When you need to obtain authorisations

Once you begin processing card payments you may need to obtain an authorisation (approval) to accept the payment.

1.5.1 What is authorisation?

An authorisation is when we confirm through the cardholder's bank that:

- the card number exists and the expiry date is valid
- the card number has not been reported lost or stolen as at that time
- enough funds are available to allow the transaction to go ahead.

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If you process a transaction electronically, we automatically obtain the authorisation for you.

If the merchant services system is down or your business is paper-based, you will need to obtain authorisation – follow the process in section *1.6.3 Calling the authorisation centre*.

Note: authorisation doesn't guarantee that a credit card transaction is valid, or that you will not incur a loss on the transaction. A chargeback could still occur, e.g. if the cardholder disputes the transaction.

1.5.2 Floor limits

A 'floor limit' is the highest transaction amount you can process during system downtime (or if your business is paper-based) without contacting us to obtain authorisation. Floor limits are set by the card schemes.

Please note:

- you have two floor limits – one for credit card transactions and another for debit card transactions
- for all transactions where the cardholder is not present the floor limit is \$0 (i.e. all these transactions must be authorised)
- you must never disclose your floor limit to cardholders.

1.6 If the system is down or you are a paper-based merchant

If the merchant services system is down or your business is paper-based, you will not be able to obtain electronic authorisation in the usual way.

1.6.1 If you have Store & Forward

Most terminals come with a *Store and Forward* function. If you're not sure whether you have this, call us on **1800 022 966**. *Store and Forward* allows you to continue to process transactions under your floor limit in the normal way even when the system is down. The terminal prints a receipt which the cardholder must sign.

Note: the customer's PIN will not work during system downtime. Please ask them to sign the transaction receipt and verify their signature.

When the merchant services system is restored, the terminal automatically sends these transactions to us.

If a transaction is over your floor limit, the screen on your terminal will display a message 'input authorisation number'. In this case you should:

Call the authorisation centre – see *1.6.3 Calling the authorisation centre*.

1. Enter your merchant number and the transaction details. The terminal then prints a receipt for the client to sign and asks you whether you've obtained a valid signature.
2. Press 'Yes'. The system will then automatically send the transaction once the system is restored.

1.6.2 If you don't have Store & Forward or are a paper-based merchant

If you have a terminal that doesn't have *Store & Forward*, you can either:

- use the terminal to print an 'Offline' voucher (not available on all facilities), or
- obtain a manual imprint using the imprinter that we provided to you.

In either case, be sure to get authorisation and record the approval code on the voucher from the authorisation centre.

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If you print an offline voucher then you must re-enter the transaction in the system when it becomes available. You can also re-enter transactions in the system that were captured using manual imprint vouchers.

If you are a paper-based merchant you will need to get authorisation and record the approval code on each manual imprint voucher from the authorisation centre.

You should then submit the vouchers at a branch with the Merchant Summary. Please refer to the instructions at the front of the Merchant Summary.

1.6.3 Calling the authorisation centre

For transactions over your floor limit:

Credit cards

Call **13 26 36** for authorisation.

Debit cards

Call **1800 813 700** for authorisation.

The cardholder must be present if you call us for authorisation.

Time limit

If we give you authorisation, the amount is reserved against the cardholder's account until the transaction is processed.

You must process or submit the transaction to us within 5 banking days of authorisation or it will expire and you will lose the benefit of the authorisation.

Declines

For both debit and credit cards if the transaction is declined you should ask the cardholder to contact their bank.

1.7 Refunds

Refunds on card transactions must be returned to the same account used for the original sale. Never give cash refunds for card transactions.

1.7.1 Refunds using a terminal

If you use a terminal, you can process refunds by selecting 'Refund' as the transaction type on your terminal. The terminal asks for a password. You must never display or disclose your password.

1.7.2 Paper-based refunds

Refunds during downtime

If the system is down, print an 'Offline' voucher; then re-enter the details when the system is back up. If an offline voucher cannot be obtained, follow the procedure outlined for paper based merchants.

Paper-based merchants

To process a refund insert a credit voucher into the manual imprinter and then complete as you would a sale voucher.

Include the refund amount on the Merchant Summary under 'credit vouchers'.

If the value of the refund vouchers exceeds that of the sales vouchers on any Merchant Summary, you must hand it to the teller with cash or a cheque.

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1.8 Securing customer information

When you accept cards, you will be handling or transmitting card and cardholder details that are highly confidential.

Here are some of the things you must do to keep that information safe.

1.8.1 Always:

- ensure that any information that you transmit across the internet or other networks or that you store is encrypted or scrambled in accordance with the Payment Card Industry Data Security Standard or any other prevailing card data security standard we advise you from time to time (see 2.4.2 *Data security standards*)
- ensure that information you store is only accessible to people who are authorised to manage or view that data
- store any records containing information such as copies of sale or credit vouchers in a secure place only accessible by authorised employees
- after the period you need to keep the records has ended (see 1.10.3 *How the Dispute process works*), destroy the records and any information in a way that ensures any information is unreadable.

1.8.2 Never:

- disclose or share any customer information with staff or any third party
- request, use or store a card number for any purpose that is not related to a transaction
- swipe a card through any card reading device not authorised by us
- ask for a cardholder's PIN
- store a cardholder's PIN or card security code.

1.9 Minimising fraud

By accepting cards you provide convenience for both you and your customers, but there are risks. One of the key risks is that third parties may use cards or card details fraudulently. You need to be concerned about this because fraud could lead to chargebacks and other losses to your business (see 1.10 *Disputes and chargebacks*).

1.9.1 Examples of fraudulent use

Here are some common examples of fraudulent use of a credit card:

- someone uses a stolen card or account number to purchase goods or services fraudulently
- a person known to the cardholder uses a credit card to order goods or services but has not been authorised to do so by the cardholder
- the customer falsely claims that he or she did not receive the goods or services
- fraudsters run consecutive numbers on an internet site or Interactive Voice Response (IVR) in an attempt to find a valid card number that they then use to purchase goods or services fraudulently.

1.9.2 Some basic precautions

Make sure that you have policies and procedures for handling irregular or suspicious transactions. Remind your staff that they must take steps to verify that the cardholder is who they say they are.

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Also, keep records of all transactions and proof of delivery of goods or services for at least 6 months after the event.

Remember: Transaction authorisation doesn't guarantee that the purchaser is the true cardholder.

1.9.3 Tricks of the fraudster

Fraudulent orders usually share a number of characteristics, especially for card-not-present transactions e.g. made over the internet, or by mail order or telephone order (often referred to as 'MOTO').

If you suspect the transaction may be fraudulent, contact us immediately on **1800 230 177**.

Here are some warning signs of possible fraud. One warning sign on its own may not necessarily be cause for alarm, but pay special attention if more than one factor is present:

Rush orders	Urgent requests for quick or overnight delivery.
Random orders	Customers who don't seem to care if a particular item is out of stock or isn't available in the style/colour originally requested.
Suspicious delivery address	Use of a post office box or an office address. If your business doesn't typically export goods, use caution when shipping to international addresses, particularly if you are dealing with a new customer or a very large order.
Multiple cards	If a customer wants to pay with multiple cards.
Multiple purchases on one card in a short period of time	Multiple transactions charged to one card over a very short period.
Hesitation (telephone orders or where the card is presented)	Customers that hesitate or seem uncertain when giving personal information, such as a postcode or the spelling of a street or family name.

1.9.4 Card-present transactions

Unacceptable cards

Never accept a card if:

- the terminal doesn't recognise the card
- the card expiry date has passed
- the card or the signature has been visibly altered or tampered with
- the signature doesn't match that on the back of the card.

Damaged debit cards

You should never accept damaged debit cards. Ask the customer for another form of payment.

Damaged credit cards

If you receive a 'damaged card' message during a credit card transaction:

1. Take an imprint of the card using the manual imprinter we give you and ask the customer to sign it to prove that the card was present at the time of the transaction.
2. Enter the details into your terminal by hand using the 'damaged card' mode.

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Other things to look for

Although having the card available at the time of the transaction gives some protection from fraud, there are still things you can look out for to reduce the risk even further:

- does the number on the card match the number on the receipt?
- does the name match the customer?
- is the embossing on the card clear and even, and does the printing look professional?
- does the signature on the card match the signature on the sales slip?

You should also:

- avoid hand-keying in transactions
- if the terminal response is 'declined', arrange an alternative form of payment
- be wary if a customer presents a card that rejects and then switches to another card
- make sure you don't process transactions for someone else. Not only will you be liable for any chargebacks, we may also end your facility if you do.

1.9.5 Card-not-present transactions

Card-not-present transactions carry a higher risk of fraud. This is because you can't check whether the person you are dealing with actually has their card with them or whether their signature matches that on their card.

By carrying out some of the following checks (where appropriate, depending on the transaction method) you can significantly reduce the incidence of fraudulent activity.

Check 1 For online solutions, use Verified by Visa or MasterCard SecureCode

Ask the customer to input the card security code located on the credit card signature panel or on the front of their card.

Verifying the card security code doesn't guarantee that the card is not stolen or being used by someone who is not authorised to use the card. It verifies only that the person making the transaction has the card in their possession.

Check 2 Ask for comprehensive customer details and do validity checks

Always ask for the customer's full name, address and home phone number (preferably not a mobile). Check these details against the latest White Pages before delivering the goods.

Check 3 Follow up with an order confirmation

Call the customer some time later to confirm order details before delivering.

Check 4 Always use your own courier

Check 5 Ask for identification on delivery and don't leave goods at unattended addresses

Check 6 Use minimum and maximum transaction amount controls

The size of the amounts will vary depending on your business. Minimum and maximum amount controls allow you to control risk.

Check 7 Contact our call centre staff to verify suspicious activity on 1800 230 177

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1.10 Disputes and chargebacks

1.10.1 Credit card scheme rules

The rules of the credit card schemes (MasterCard and Visa) allow a cardholder and the cardholder's bank to dispute a transaction in certain situations.

For example, if the cardholder doesn't believe they authorised the transaction, or says the goods were not delivered, that person can dispute the transaction which may result in a chargeback.

1.10.2 Examples of customer disputes

Some examples of customer disputes that can result in chargebacks are:

- the customer complains that goods or services are not as described on a website or in a mail order catalogue
- the customer is billed twice for the same order or billed for an incorrect amount
- the customer doesn't recognise the transaction on their statement because the business name on the statement is different to the business name used on the website or mail/telephone order marketing materials
- the customer argues that they never received the goods or services
- there is confusion or disagreement between the customer and merchant over a return or refund amount
- fraud (the customer claims they did not authorise the transaction).

1.10.3 How the dispute process works

1. The cardholder disputes a transaction by advising their credit card issuer. A transaction can be disputed up to 120 days from the date of the transaction or agreed goods/service delivery date, whichever is later. To be safe, keep clear and easy-to-read vouchers or records of transactions and proof of delivery for at least 6 months after the date of delivery of goods or services.
2. The card issuer sends us a request for copies of documents and other supporting evidence to determine the validity of the transaction.
3. We contact you to ask for documentation or information to support or reject the dispute. Once a transaction is disputed, it's your responsibility to prove that a valid transaction occurred. You will have a limited time frame to respond to our request, as set out in our request letter.
4. Both banks evaluate the information and make a decision under rules set out by the card schemes as to the validity of the dispute.
5. If the cardholder dispute is not satisfactorily resolved or you don't provide supporting evidence within the required time frame, the disputed amount will be 'charged back' (debited) to your bank account.
6. If the cardholder dispute is resolved in your favour the chargeback request is returned to the card issuer and the cardholder must pay their credit card bill as normal.

1.10.4 Avoiding disputes

Keep good records

You can reduce the risk of chargebacks caused by customer disputes by keeping good records. This will help you to find specific transactions quickly and easily.

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Inform the customer

Include all of the following information in your invoices, contract and promotional materials:

- your name as it will appear on the cardholder's statement
- your business address
- customer service contact numbers
- a complete description of goods and services provided
- a specific delivery time
- details of your return and cancellation policy
- details of debit dates for regular instalments such as memberships or subscriptions.

1.10.5 When are you liable?

Your liability for chargebacks is defined in section 2.7 *Chargebacks*.

Generally, if a cardholder disputes a transaction and the card scheme rules allow the cardholder's bank to chargeback the transaction to us, the liability for the chargeback will then rest with you.

This means that the original transaction is reversed and you lose the full amount of the payment for the goods or services, even if the goods or services have already been delivered. You may also be required to pay fees for investigating and processing the chargeback.

That's why it is essential you understand how to set up business procedures and use appropriate product features to minimise chargebacks and fraud (see 1.9 *Minimising fraud*).

1.11 Illegal transactions

Some transactions are illegal and if your facility is used to process them you can find yourself in breach of Australian and international laws or card scheme requirements.

For example you must not process any of the following:

Online transactions

- transactions relating to child pornography, bestiality and other extreme sexual content
- transactions that involve non-consensual and violent sexual content
- transactions involving the sale of tobacco or prescription pharmaceuticals
- illegal gambling transactions

All transactions

- transactions that breach Australian or international laws, e.g. the sale of tobacco or liquor to minors
- any other transaction types we tell you are prohibited by the card schemes, e.g. by MasterCard under their Business Risk and Mitigation (BRAM) programme and VISA under their Global Brand Protection Program (GBPP).

1.11.1 Non-compliance

If you have been found to have processed illegal transactions, the card scheme may impose a fine on us. We will then require you to reimburse us for this fine.

In addition, we could terminate your facility and would then be required to list you on a card scheme database that could prevent you from operating a merchant facility in the future.

If you have any questions, please call us on **1800 230 177** or visit our Merchant Services website: **commbank.com.au/merchantservices**

Part 2: Terms & conditions

2.1 About this part

This part sets out the terms and conditions that apply between you and us when you use your facility. You agree to be bound by these terms when you process your first transaction using your facility.

You must also comply with:

- Part 1: *How to use your facility*
- the user guides or any other operating instructions for your facility
- any requirements that a card scheme (e.g. MasterCard or Visa) impose on us that relate to your facility (known as card scheme rules) that we tell you about
- any other communication about your facility, e.g. bulletins advising of changes to security or processing requirements.

2.2 Equipment and software

2.2.1 Installation

You can use either our equipment and software, or your own. If you use your own equipment or software, then it must comply with our security and other requirements.

2.2.2 Upgrades

If you use our equipment and software you must allow us to upgrade it from time to time.

If you use your own equipment and software you must upgrade them whenever we tell you, e.g. when industry standards or our security standards change.

2.2.3 Maintaining your equipment

You must follow the security and other requirements set out in *1.3 Looking after your facility*.

2.2.4 If your facility is not working

We try to maintain your facility, including all merchant services systems, in good working order and with as little downtime as possible.

We are not liable for any loss you incur if your facility is not working or you can't process transactions for any reason.

2.3 Processing transactions

2.3.1 Transaction records

You must:

- give us your records relating to any transactions when we ask you for them
- only process transactions if the cardholder has received the goods or services from you, unless the cardholder has agreed to receive them later. Where the cardholder has agreed to receive them later, the goods or services must be delivered within 12 months of the transaction date
- not split a single sale into more than one transaction.

2.3.2 Notifying customers of any surcharge

If you charge a fee for card transactions, you must clearly and prominently display any charges that might apply before processing the transaction.

2.3.3 No minimum transaction amount

You must not impose any minimum transaction amount for card transactions.

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2.3.4 No third-party processing

You can't process transactions for someone else. Not only will you be liable for any chargebacks, we may also end your facility if you do.

2.3.5 Offering cash out and charge cards

Cash out

You may want to give cardholders with debit cards the option to get cash out, or cash with a purchase. If you want to offer this option, you must first obtain our approval.

You must not give cash out on credit cards. If the cards are MasterCard or Visa branded, the cardholder must choose 'Cheque' or 'Savings' rather than 'Credit'.

Charge cards

Charge cards may include American Express, Diners Club and JCB. To be able to do transactions with these cards you will first need to sign a separate agreement with the charge card providers.

Once you have an agreement with them, contact us so we can program your terminal to accept the charge card.

Our only obligation to you in relation to any charge card transaction is to send the transaction details to the scheme that issued the charge card.

2.3.6 Industry-specific requirements

The card schemes have special requirements for industries such as accommodation and car rental (e.g. relating to obtaining preauthorisation).

For details, please see our website: commbank.com.au/merchantservices

2.4 Securing customer information

2.4.1 Security measures

You must follow the security and other requirements set out in *1.8 Securing customer information*.

2.4.2 Data security standards

The card schemes have requirements relating to securing customer data known as the 'Payment Card Industry Data Security Standard'. They may in future have other data security requirements.

You must fully comply with the prevailing card data security standard that is in place as we advise you from time to time.

If there is a data security breach, the card schemes may require an external investigation of your premises and systems. You agree to cooperate fully with the investigation and to pay the reasonable costs of the investigation.

2.5 Settlement & payment

2.5.1 Maintaining an account

You must establish and maintain an account for the duration of this agreement, and for a period after this agreement ends (see *2.8.5 What happens when the agreement ends*).

Your account must be in the same name as your facility unless we agree otherwise.

We will credit payments into this account and debit fees and charges and other amounts payable under this agreement from it.

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Separate fee account

If you request and we agree, we may allow you to use two accounts, one for settling transactions you process and one for paying your fees and other amount you owe us (e.g. chargebacks).

Changes to your account

You must immediately tell us of any changes to your account. If your account is with another financial institution and you change it, you will need to give us a new Direct Debit Authority.

2.5.2 How we pay you

We credit your account with the value of all valid sales and cash out transactions, less any refund transactions.

2.5.3 Statements

For each month that you process a transaction, we provide you with statement(s) summarising your transactions and fees and charges.

Electronic transactions

Everyday Settlement

We settle all your electronic transactions up to settlement time, same day, 365 days a year. We call this *Everyday Settlement*.

This applies if you settle to one of our business transaction accounts, such as:

- Business Transaction Account
- Premium Business Cheque Account
- Commonwealth Private Bank Account

and you have been notified that Everyday Settlement applies.

We may withdraw your eligibility for Everyday Settlement by giving you 15 days' notice.

If your account is with us but Everyday Settlement does not apply

We settle all your electronic transactions up to settlement time, each weekday other than public holidays.

Transactions completed after settlement time, or on a weekend or public holiday, are processed on the next banking day.

If your account is with another financial institution

We credit or debit your transactions as soon as practical, depending on your financial institution's process.

Manual transactions

You must deposit the merchant copy of all manually-imprinted transaction vouchers (complete with a Merchant Summary) within three banking days.

If your account is with us, we credit your account when we receive the deposit, but you may not be able to withdraw the money for three banking days to allow for clearing time.

If your account is with another financial institution, it will be credited as soon as possible after deposit.

All vouchers must be legible, complete and correspond with the Merchant Summary. You will not get paid for any unclear, missing or unreadable vouchers.

Part 2: Terms & conditions

2.5.4 What you must pay us

You must pay us (and we can debit your account with):

- any funds credited to your account in error
- any chargeback amounts
- fees
- any other amounts you owe us under this agreement.

Covering fees and chargebacks

Your account must always have enough money in it to enable us to debit your account for the amounts you owe us.

If your account doesn't cover the amounts owed, we can:

- use our right of set-off (see 2.5.5 *Set-off*),
- demand that you pay the amount from some other source, or
- terminate your facility.

When you must compensate us

In some situations we may incur a loss or cost specifically relating to your merchant facility. If such an event occurs you must compensate us for that loss or cost.

These situations include:

- if you don't comply with these terms and conditions or any instructions we give you
- any error, fraud or negligence by you
- any dispute over goods or services between you and a customer
- use of your facility by anyone not authorised by you
- if you process an illegal transaction
- if there are excessive chargebacks on your facility (as determined by the card schemes)
- if a security breach occurs relating to your facility leading to disclosure of cardholder data.

Examples of compensation

Things you may need to reimburse us for include:

- any fines or costs we have to pay under card scheme rules
- losses we suffer due to cardholder details being disclosed and us having to reimburse for unauthorised transactions
- any costs we incur to satisfy card scheme requirements, e.g. if we need to investigate security breaches or issues.

2.5.5 Set-off

If we can't debit your account for an amount you owe us, we can deduct the amount from any other account you have with us. We can do this without demanding payment in advance.

2.6 Fees

You must pay us the fees specified in the Fee Schedule we give when you apply, or otherwise notify you of. In return we enable you to use the facility under the terms and conditions of this agreement.

Part 2: Terms & conditions

2.6.1 When we deduct fees

Once a month we deduct fees for the transactions you made in the previous month.

We also deduct some other fees at different times, as defined in the Fee Schedule, or otherwise on demand.

2.6.2 Changes to fees

We may amend the fees from time to time by giving you notice in accordance with *2.8 Changing or ending the agreement*.

2.7 Chargebacks

Chargeback means you must reimburse us (and we can debit your account) for a transaction amount that we previously gave you credit for.

We can chargeback a transaction if:

- it is illegal
- the card was not valid at the time of the transaction
- the sales receipt has been altered without cardholder's authority
- the cardholder did not authorise the transaction
- it was made using your own credit card
- the transaction amount is greater than your floor limit and you did not get an authorisation
- you breached a term of this agreement
- authorisation for the transaction was declined for any reason
- the cardholder disputes liability for the transaction for any reason
- it represents the refinance of an existing debt or the collection of a dishonoured cheque.

We can also place a hold on your account and refuse to let you withdraw funds if we believe transactions may be charged back.

When we receive a chargeback request from a cardholder's bank we follow the steps set out in *1.10.3 How the dispute process works to give you a chance to contest the chargeback*.

In section *1.10.4 Avoiding disputes* we explain how to minimise chargebacks.

2.8 Changing or ending the agreement

2.8.1 Changes

We can change any of the terms of this agreement (including your fees and the facility you use) at any time by giving notice.

If the change:

- introduces a fee or charge, we give you at least 30 days' notice of the change
- increases a fee or charge, we give you at least 15 days' notice of the change.

If the change relates to anything else, it will start on the date you receive the notice or any later date that we state in the notice.

Part 2: Terms & conditions

2.8.2 Suspending your facility

In any circumstance where we can end this agreement, we may choose first to suspend your facility. If we can't agree with you on a way to address our concerns, we can end this agreement immediately. We can also terminate or suspend part of your facility (e.g. an online solution or an optional product) in the same way.

2.8.3 Either of us may end this agreement with notice

Either we or you may end this agreement, by giving the other 30 days' written notice, specifying a termination date.

2.8.4 When we can end this agreement without notice

We can end this agreement immediately if:

- in your application (or at a later time), you give us information which is incorrect, misleading, or not fully disclosed
- you breach any of the terms of this agreement
- we have reason to suspect that you have fraudulently processed transactions (e.g. refunds), or allowed fraudulent transactions to be processed through your facility
- we consider that the risk of chargebacks, fraud or other losses relating to your facility is too high
- you cease business, become bankrupt or insolvent, have a receiver appointed, go into liquidation or enter into an arrangement with your creditors
- you close your account without first letting us know.

We will try to give you verbal or written notice before we end this agreement. If we can't contact you we can end it immediately.

2.8.5 What happens when the agreement ends

Us

When this agreement ends, we:

- are no longer obliged to accept payments on your behalf
- may enter your premises without notice to repossess any unreturned equipment
- may debit any outstanding fees to your account, including termination fees.

If we end the agreement, we will give the card schemes your details and the reasons why we ended it.

The card schemes may give this information to other financial institutions if you apply for a new facility. This information may then affect your ability to get that facility.

You

When this agreement ends you must:

- not process any further transactions
- maintain an account for 180 days so that we can continue to charge fees and process chargebacks to your account
- continue to reimburse us for any chargebacks or other losses we incur
- return to us within 14 days all equipment and any other material we specify.

Part 2: Terms & conditions

2.9 Miscellaneous

2.9.1 Information

We may share your information with others as set out in our application form and our Privacy Policy available on our website.

We may also get from or give to any person involved in any card scheme, information about you for any purpose to do with the operation of that scheme.

You must tell us of any important changes in your business, such as your contact details, change of ownership, change in types of goods or services being sold.

You must provide us any information we request and allow us to enter your premises to conduct any audits, e.g. if we need to investigate security breaches or issues.

2.9.2 Notices

We can give you a notice in one of the following ways:

- in-person – give it personally to you, or to one of your employees at your place of business
- by post – leave it at or send it by prepaid post to your last address notified (it is taken to be received on the third day after posting)
- by fax – send it by facsimile to the facsimile number last notified (faxes are taken to be received when the transmitting machine reports that the whole fax was sent)
- online – if you agree, we can provide notices to you electronically by email or by posting the notice on our website and sending you an email that the notice is ready for viewing
- newspaper publication – publishing it in local or national media (in which case we will also post the notice on our website). We will use one of the other methods where we introduce a fee.

2.9.3 Governing law

This agreement is governed by the laws of the state in which your premises are located.

2.9.4 Code of Banking Practice

If you are an individual or small business as defined in the Code of Banking Practice, relevant provisions may apply to you.

2.9.5 Sale of business

If you sell your business, the new owner will need to apply for a new facility with us if they wish to continue using our merchant services. You can't transfer this facility without our consent.

2.9.6 Commissions

We may pay a fee or commission to a third party who introduces you to us.

Part 3: Optional products

3.1 About this part

In addition to our card processing facilities, we also offer:

- XPOS – this enables you to sell a broad range of products and services offered by other providers (e.g. pre-paid mobile phone top-ups) through your terminal
- Currency conversion – a service that enables you to accept credit card payments from international customers in their home currency
- MediClear – enables your customers to get a refund from Medicare at the point of sale, so they don't have to claim separately from Medicare. It also enables processing of bulk-bill claims.

This part sets out the additional terms and conditions that apply to you if you use these services.

3.2 XPOS

If you use XPOS, we will give an *XPOS Operator's Guide*. You must follow all the instructions in that guide.

3.2.1 Products you can sell through XPOS

You can use XPOS to sell a wide variety of products, including:

- mobile and internet recharge dockets
- toll road top-ups
- tickets to theme parks and attractions.

Your customers can also pay some bills, e.g. council rates, utilities, through XPOS, using the BPOINT bill payment facility.

3.2.2 Third parties

We provide XPOS to you through Touch Networks. Touch manages the day-to-day communications on our behalf, including giving you information about the products you can sell and the commissions you receive.

Touch is the intermediary for all XPOS products except Vodafone recharge services which are currently provided by e-pay. If you want to sell these products you need to enter a separate agreement with e-pay.

3.2.3 Commissions we pay you

For every XPOS transaction you receive a commission based on the rates set by the providers of the products you sell. We'll give you as much notice as we can of changes in commission rates.

3.2.4 Payments and settlement

XPOS products are provided by suppliers. When you sell an XPOS product or collect a BPOINT bill payment, you receive payment from your customers. We debit your account weekly for the dollar amount of all sales and bill payments (less your commissions) and pass those amounts to the supplier or biller.

You can accept payment by card or by cash.

You are responsible for any loss arising by way of dishonoured payment, chargeback or other failure to collect the full amount due from the customer for the XPOS product sale or BPOINT bill.

Part 3: Optional products

3.2.5 Processing requirements

You must not:

- require a customer to buy anything else as a condition to buying an XPOS product or making a bill payment
- process a 'cash out' as part of any bill payment transaction
- process a sale of an XPOS product or accept a bill payment unless the customer has made payment in full.

You must process transactions for each bill individually. Don't group bill payments together in aggregate amounts or bulk transactions.

You must give payers an electronic receipt for each bill payment transaction you process through the BPOINT service.

3.2.6 You cannot reverse transactions

XPOS sale transactions cannot be reversed. If you enter a transaction in error, we can still debit your account for the amount of the transaction you have entered.

3.2.7 Product availability

We or the product provider may add or remove the availability of an XPOS product, or change the terms of the product, at any time.

We or the provider may impose daily sales limits or specified operating hours for the sale of certain XPOS products.

3.2.8 BPOINT bill payment disputes

If a customer has a dispute about a bill payment or requests a refund, refer these to the particular biller for resolution. The terminal will not allow refunds for bill payments.

Never, under any circumstances, refund a customer's bill payment in cash.

Make sure you keep all merchant copies of BPOINT receipts in case of a customer dispute.

3.2.9 If a customer has a claim about XPOS products

If the customer has any issue with the product they've bought:

- don't, under any circumstances, refund their money
- tell them to call the relevant provider using the help desk number on the product voucher.

If the provider can't resolve the problem and tells the customer to return the product to you for a refund or exchange, contact the XPOS Help Desk on **1300 553 772**.

3.2.10 Operator/customer error

Make sure that the customer is certain of the product they want and pays for it before you print the voucher.

If you process a transaction in error we can still debit your account for the transaction amount.

In this situation these rules apply:

- once a telecommunications product of any kind or value is printed from the terminal, it becomes your property
- if the customer has paid you for the product, it becomes their property.

You can't issue a refund because of an error by you or the customer.

Part 3: Optional products

3.3 Currency conversion

3.3.1 Paying in a foreign currency

If you have been approved to perform currency conversion transactions, you may offer international card customers the opportunity to pay for your products or services in their foreign currency.

Currencies that are available through this service include US dollars, NZ dollars, Euro, Canadian dollars, Great Britain Pound, Hong Kong dollars, Singapore dollars and Japanese Yen.

We may pay you commissions on currency conversion transactions at the rate we specify from time to time.

3.3.2 Processing a currency conversion

When a valid international credit card is swiped through your terminal you will be given the option to select payment in either Australian dollars or in the cardholder's home currency.

You must:

- tell the cardholder that the currency conversion service is optional
- ask the cardholder which currency they would like to pay in (you can't make the currency choice on their behalf)
- tell the cardholder the Australian dollar value, the foreign currency value and the applicable exchange rate.

If the cardholder chooses to pay in their home currency, the transaction value is converted using the exchange rate quoted at the time of the transaction.

The cardholder's receipt will show both the Australian dollar and foreign currency amount, the conversion rate used, and an acceptance statement where the cardholder has agreed to pay in their home currency.

The foreign currency amount that appears on the receipt is exactly the same value that will appear on the cardholder's statement.

3.3.3 Deposits and other refundable transactions

Don't offer the cardholder the choice to pay in their home currency if you intend to refund the transaction in part or in full at a later date, e.g. if the transaction is a holding deposit. In these situations the transaction should always be processed in Australian dollars only.

Note: you can't process transactions in foreign currencies if the terminal is offline.

3.3.4 Settlement

For each day that you process foreign currency sales you will receive two different settlement amounts:

- the total of all currency conversion transactions conducted
- the total of all non-currency conversion Australian dollar sales.

There may be a delay in settling currency conversion transactions (e.g. due to delays in settlement by our contractors or overseas banks).

You can see details of your currency conversion transactions (including summaries and chargeback status) online using logon details we give you.

Part 3: Optional products

3.3.5 Refunds in overseas currencies

You must process refunds in the same currency as the original transaction, e.g. if the original transaction was in Australian dollars you mustn't offer the refund in the cardholder's home currency. When the card is swiped and the terminal gives you the two payment options, you must tell the customer that the refund will be processed in their home currency and quote the Australian dollar value, foreign currency value and exchange rate.

The refund amount, in the cardholder's home currency, may be higher or lower than the original purchase amount. This is because conversion rates are updated daily and it is likely that the rate on the day of the purchase will be different to the rate on the refund date.

Please note that this is not different from processing a refund using an international card in Australian dollars – VISA and MasterCard foreign exchange rates change daily and therefore, refund amounts will be different if completed on a different day.

3.4 MediClear

If you use MediClear, we will give you a *MediClear Operator's Guide*. You must follow all the instructions in that guide.

3.4.1 Co-operation

MediClear services are provided to you under arrangements with Medicare. You must co-operate with us, Medicare and/or the Commonwealth Ombudsman in relation to the investigation of any complaint or other issues relating to the MediClear services.

3.4.2 Sharing information

You agree that:

- the transaction information is confidential to Medicare and subject to the obligations we have to Medicare
- we can use and disclose any transaction information you provide in connection with performing our obligations and exercising our rights under our agreement with Medicare
- you can only use or disclose transaction information for the purpose of processing the transaction
- to the extent you have any rights in the transaction information, you grant us a perpetual irrevocable licence to exercise those rights.

You also agree that we can disclose information about you to Medicare. Medicare may also disclose that information in accordance with our agreement with them.

3.4.3 Processing MediClear transactions

You must:

- always display the MediClear materials in a prominent position at your premises
- always give your patient the electronic receipt produced by the MediClear facility for each MediClear transaction you process.

3.4.4 Availability of MediClear services

We will try to give you notice of any changes in relation to Medicare services, but under the terms of the agreement we have with Medicare, we may sometimes have to make changes within timeframes specified by Medicare and without notice to you.

Part 3: Optional products

3.4.5 Settlement

When you lodge Medicare or health fund claims through MediClear, Medicare and the health fund are responsible for transferring funds to your nominated account.

We are not responsible for settlement.

3.4.6 Suspension and termination

We can suspend your MediClear facility at any time where the MediClear services have been suspended by Medicare.

We can terminate your MediClear facility at any time if our agreement with Medicare is terminated, or if any of your acts or omissions put us in breach under our agreement with Medicare.

We can also suspend or terminate your MediClear facility for other reasons (see *2.8.2 Suspending your facility*)

When your MediClear facility terminates, you must remove all MediClear materials and stop processing MediClear transactions immediately.

Part 4: Meaning of words

This part lists some key terms used in the document and what they mean.

When we refer to a document, including this agreement, this includes any variation or replacement of that document.

Where we give examples of something this does not limit other situations that may also apply.

Banking day

A weekday other than a day that is a public holiday.

Card

Any debit or credit card, but not a charge card.

Card-not-present

This includes online transactions and transactions by mail order or phone.

Card scheme

The MasterCard, Visa and EPAL (EFTPOS Payments Australia Limited) card schemes. These schemes publish rules that apply to entities like us that process card transactions on behalf of merchants.

Card security code

The last three digits printed on the signature panel on the back of a card used in a card-not-present situation to confirm that the customer is holding the actual card (also known as the “CVC2” or “CW2”).

Cardholder

A person to whom a card is issued at the accountholder’s request.

Credit card

A MasterCard or Visa card, including a scheme debit card where the transaction is processed through MasterCard or Visa.

Facility

Means your merchant facility and includes using terminals, online solutions and optional products (such as XPOS).

Fee Schedule

Any list or notice of fees we provide to you.

Illegal transaction

A transaction which is contrary to applicable laws or not permitted under card scheme rules as notified to you.

Public holiday

A day which is a public, bank or special holiday.

This agreement

The agreement between you and us regarding your facility and any related services, as set out in this document.

Part 4: Meaning of words

Transaction

Any sales, refund or cash out transaction completed by use of a card or card details, or an XPOS transaction (including a bill payment).

We

Commonwealth Bank of Australia ABN 48 123 123 124

You

The person we approve as the “merchant” when we process your application form. If there is more than one, “you” means each person separately as well as every two or more of them jointly. Where we refer to “you” doing something, this also includes anything your employees or anyone else acting on your behalf does.

Your account

The bank account you must maintain under this agreement, and where the context permits includes any separate account we permit under section *2.5.1 Maintaining an account*.

Part 5: Where to get help

Here are the contact details to use.

Help or advice on operating your facility	
Online	commbank.com.au/merchantservices
Technical Help Desk	Freecall 1800 022 966 24 hours, 7 days
General Enquiries	Freecall 1800 230 177 24 hours, 7 days
Stationery ordering	commbank.com.au/eftposstationery
Suspected Credit Card Fraud	Call 13 26 36 and press 1. 24 hours, 7 days
XPOS Helpdesk	To report XPOS faults or for instructions on how to process XPOS transactions Call 1300 553 772
Obtaining authorisation for manual transactions over your floor limit	
Debit Card Authorisation	Freecall 1800 813 700 24 hours, 7 days
Credit Card Authorisation	Call 13 26 36 24 hours, 7 days
Charge Card Authorisation (if applicable to your facility)	American Express and JCB 1300 363 614 Diners Club 1300 360 500 24 hours, 7 days

