

Merchant Credit Card Facility Agreement

general terms and conditions

The following amend the existing terms and conditions of your current merchant credit card facility agreement with Westpac New Zealand, to reflect changes in rules relating to Visa and MasterCard card acceptance.

Clause 4 – Your obligations

Clause 4.3 (b) is replaced with the following:

- (b) if you add a Surcharge Fee to your normal prices when a Cardholder chooses to pay with a Card;
- (i) clearly display notices, signs or decals at your premises that comply with the requirements set out in clause 4.3(k);
 - (ii) clearly display, to the Cardholder, as part of the Card Sales Transaction environment or process, that if they choose to pay with a Card there will be a Surcharge Fee imposed on the Card Sales Transaction, and give the Cardholder an opportunity to cancel the Card Sales Transaction prior to completion of the transaction;
 - (iii) ensure the Surcharge Fee bears a reasonable relationship to your cost of accepting the Card and that the Cardholder is informed of the rate, amount or method of calculation of the surcharge at the time of purchase. If a surcharge is to be imposed it may be applied on a flat rate or ad valorem basis;
 - (iv) include the Surcharge Fee as part of a total single Card Sales transaction, and not collect it separately;
 - (v) not describe the Surcharge Fee as, or inform the Cardholder that the Surcharge Fee is, imposed by the Card Scheme or by Westpac;
 - (vi) be aware that you may apply a Surcharge Fee to any or all the branded cards of a Card Scheme;
 - (vii) ensure that, in the case of a Visa transaction, the Transaction Receipt displays:
 - Merchant name
 - Merchant city and country
 - Transaction amount (or credit), indicated in transaction currency
 - Surcharge Fee (or credit), indicated in transaction currency
 - Total amount (or credit), indicated in transaction currency
 - Transaction date (or credit) preparation date
 - Account Number (Cardholder copy must have Truncated Account Number)
 - Space for Cardholder signature or PIN Verification notation (if Chip & PIN)
 - Authorisation Code
 - Transaction type (purchase or credit).

The following is added to clause 4.3 (k):

- (iii) if you intend to impose a Surcharge Fee when a Cardholder chooses to pay with a Card you must display notices, signs or decals at your physical premises, as well as a notice next to your point of sale, in a minimum of Arial 10 point font, disclosing that you will apply a Surcharge Fee when payment is made by Card. If you do not have a physical point of sale, you must prominently communicate in an e-commerce transaction or telephone order that a Surcharge Fee will be assessed when payment is made by Card;

The following new paragraph is added immediately after clause 4.3 (l):

Nothing in this Agreement prohibits you from steering Cardholders to other forms of payment by offering discounts, promotions or financial incentives to encourage Cardholders to use other forms of payment (including as between Card Schemes' Cards and EFTPOS, or Cards from different Card Schemes, or different types of a particular Card Scheme's Cards).

Clause 22 – Definitions and interpretation

The definition of "Card Sales Transaction" will now read:

"Card Sales Transaction" means a transaction where a Visa Card, or a MasterCard Card is used to pay you for goods and/or services on credit and includes the amount of any Surcharge Fee applied to the Card Sales Transaction.

The definition of "Chargeback" is replaced with the following:

"Chargeback" means when a previously completed and settled sale is reversed and returned to Your Account. The validity of the sale as detailed in the Card Sales Transaction relating to it, may have been questioned directly by the Cardholder or their issuing bank. A Chargeback may arise over a dispute between the Merchant and the Cardholder, an error by the Merchant in processing the sale or fraudulent activity in regards to the sale.

A new definition of "Surcharge Fee" is added as follows:

"Surcharge Fee" means a fee that a Merchant may apply to a Card Sales Transaction, for acceptance of a Card for payment, which fee is not applied when payment is made via other payment mechanisms. The Surcharge Fee may be either a flat or ad valorem fee. A Surcharge Fee may be applied to some or all of the branded cards of a Card Scheme.

All other terms and conditions in the Merchant credit card facility agreement remain unchanged.