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18 January 2024

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Commonwealth Department of Treasury
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Re: Payments Consultation: Winding down Australia's cheques system

Dear Treasury

I write regarding your second consultation paper which deals with cheques as a component of the Australian banking system, and make the following points:

- Currently, facilities for transactions \$50,000 and above are extremely cost inefficient to the customer, with fees of \$25-30 per transaction the norm at retail banks plus a significant time investment to complete documentation to facilitate the transfer
- Transactions of this size are extremely risky to conduct online in the current environment as doing so could potentially expose significant customer savings to the risk of scams and cyber threats which are targeted to transactions of this type
- Importantly, the current cheque system is cheaper to use for the customer than Real Time Gross Settlements (RTGS) and is far less susceptible to payment disruption via malicious third party actors
- Calls from the retail banking sector to promote more cost-efficient payment processing methods are ironic given the proposed replacement methods for large payments - of which RTGS is the most often suggested - are more expensive for the consumer and more exposed to disruption risk

It is important to remember that a diversification of available payment methods is itself a risk mitigant in an era where disruption by malicious third party actors is becoming more widespread. The largest transactions by definition carry the biggest single transaction risks. Can the Australian consumer genuinely have confidence in digital-only payment methods for large transactions in the current environment?

The argument that retail banks would prefer to actually reduce the number of available payment methods runs counter to best practice of customer access and diversification of risk. It is arguable that Commonwealth regulation regarding payment methods ought to provide a commitment to consumer choice of payment methods, particularly those that do not attract cyber crime or disruption risks of which cheques are easily the most efficient for large transactions.

Suggestions that [Bank@Post](#) may play a role in continuing to offer cheque services beyond the retail banking industry are sensible and welcome.

Yours sincerely,
Justin Lazic