

GoCardless submission to the A2A Payments Vision Consultation

Public consultation on the draft account-to-account vision

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Confidentiality	Submission may be made public.

Introduction

GoCardless welcomes the opportunity to respond to the A2A Payments Roundtable's draft vision for the future of account-to-account payments in Australia. As a non-ADI payment service provider specialising in bank-account-based payments, including BECS direct debit and PayTo on the New Payments Platform (NPP), we work with thousands of Australian businesses to collect recurring and invoice-based payments more reliably and at lower cost than card-based alternatives. Also as a participant in the Bacs and Faster Payments networks in the UK, we feel we have a somewhat unique perspective to bring to the conversation.

We strongly support the development of a shared, enduring vision for A2A payments. The draft articulates a credible and end-user centric direction. Our feedback below focuses on areas where we believe the vision can be sharpened, particularly around access for non-ADI participants, the modernisation of direct debit, and the conditions required for commercial viability of new entrants who deliver value-added services on top of the underlying infrastructure.

Our response is structured around the five consultation questions. We have responded to all five but would welcome the opportunity to discuss any of the points raised in further detail with the Roundtable.

Question 1 - Vision resonance

How strongly does this A2A payments vision resonate with you?

Rating: 6 out of 7, resonates strongly.

The draft vision "a trusted A2A payments system that meets the evolving needs of consumers, businesses and government agencies, and supports competition, innovation and productivity in the broader economy" captures the right outcomes and is consistent with the direction of comparable jurisdictions (e.g. the UK's National Payments Vision, the EU's instant payments framework, and Singapore's FAST/PayNow ecosystem).

Specifically, we strongly endorse the following framings:

- The explicit positioning of A2A payments as a national asset and as foundational infrastructure for Australia's digital economy.
- The five end-user objectives (safe, reliable, low cost, easy to use, inclusive): these are the right outcomes and are pitched at a level that should endure across multiple technology cycles.
- The technology-neutral framing and the recognition that the underlying infrastructure will evolve to include new clearing and settlement mechanisms.
- The recognition that competition and innovation are not at odds with safety and reliability, and that commercial viability for participants is itself a system-level requirement.

We have deducted one point on the 7-point scale because:

- **Competition is implicit rather than explicit.** The vision statement names competition as a downstream outcome but does not include competition as an explicit end-user objective or system characteristic. Given the structural advantages currently held by incumbent ADIs in A2A clearing, we believe a more explicit articulation of competition (alongside choice, contestability and a level playing field for non-ADI participants) would strengthen the vision.
- **End-user outcomes for businesses could be more clearly differentiated from consumer outcomes.** Business end-users have distinct needs: reconciliation, mandate management, integration with ERP and accounting platforms, dispute timeframes appropriate to commercial relationships, let alone costs, that deserve more visibility in the objectives.

Question 2 - End-user objectives

To what extent do the proposed end-user objectives (chapter 3) reflect what the future A2A system should deliver?

The five end-user objectives are well-chosen and largely capture what businesses and consumers should expect from a modern A2A system. They map closely to the outcomes we hear from our own customer base of Australian merchants, recurring billers and platforms.

Our top priorities across the five objectives

From the perspective of GoCardless and the businesses we serve, we would rank the five objectives as follows in terms of where the system most needs to improve from its current state:

- **1. Reliable.** Reliability, and the related concept of payment certainty, is the single most important objective for recurring billers. Failed direct debits and unclear status create downstream costs in dunning, churn and customer service. The draft's treatment of reliability is good but should explicitly include payment-status transparency (real-time, machine-readable status across the lifecycle) and standardised return/reason codes across all participants.

- **2. Low cost.** Australian businesses currently pay materially more to accept payments than businesses in jurisdictions with mature A2A rails. A low-cost A2A system is the single largest lever for improving the cost of payments in the Australian economy. The draft's framing of "affordable, competitive, predictable, transparent" pricing is correct; we would add an explicit reference to interchange-free or near-zero marginal cost economics being preserved as a core feature of A2A.
- **3. Easy to use.** While this would appear to be mainly focused on consumers or users, it should also apply to those businesses delivering the services through the network. For scheme participants, "easy to use" must include easy to integrate; open APIs, ISO 20022 messaging, and consistent technical patterns across schemes. Today, integrating with BECS, NPP and PayTo each involves materially different technical patterns and onboarding requirements. With BECS likely to continue, there needs to be thought put into how to modernise its interfaces for the 2030s.
- **4. Safe.** Safety is foundational and moreover critical to engender trust in what is effectively still regarded as a 'new' payment system. Our priority within this objective is consistent baseline safeguards across providers (so end-users have the same protection regardless of who they bank or transact with) and a clear, proportionate liability framework that does not place a disproportionate burden on non-ADI PSPs.
- **5. Inclusive.** Inclusion is critically important but is largely already well-served for the businesses we work with. Our focus within this objective is the small-business and sole-trader segment, where the ability to switch providers without technical lock-in is essential.

What we think is missing or requires further explanation

- **Competition and choice as a first-class outcome - as an explicit part of 5. Inclusive.** As noted above, we recommend either elevating competition to a sixth end-user objective or making it more visible within "inclusive" (where it currently sits as freedom to choose providers). End-users benefit directly when there is a competitive market of providers innovating on top of the core infrastructure.
- **Data portability and structured data as an end-user right - as part of 3. Easy to use.** The vision recognises the value of structured data in section 4.3 but treats it as a system characteristic. We believe end-users (especially businesses) should be able to expect rich, structured payment data as a right, not as a value-added service that only some, more established providers, can offer.
- **Explicit definition or benchmark of "low cost" - as part of 2. Low cost.** The objective is described qualitatively but would benefit from quantitative anchors, e.g. relative to card economics, international benchmarks, or as a percentage of GDP, that the industry roadmap can target.
- **Treatment of failure messaging - as part of 3. Easy to use.** "Reliable" focuses on the happy path. The vision should be explicit that when payments do fail (a normal and unavoidable part of any payments system), end-users receive timely, machine-readable, actionable information to resolve them.

Question 3 - System characteristics

How well do the proposed system characteristics (chapter 4) meet end-user objectives and support the future state of A2A payments?

The six system characteristics are coherent, the right level of abstraction, and map sensibly to the end-user objectives. We have specific feedback on four of them.

4.3 Feature and capability rich - strong support, with refinements

This is the section we engage with most directly. We strongly support the table in figure 4 distinguishing "must" and "should" capabilities, and the breakdown by broad payment type in figure 5.

We recommend the following refinements:

- **Elevate real-time validation of account and funds to "must"**. Figure 5 places "real-time validation of account and funds availability" under "should support" for direct debit. In our view this is foundational to a modern direct debit experience and is now a baseline capability in comparable jurisdictions (e.g. UK Confirmation of Payee, EU SEPA Verification of Payee) and a requirement for A2A infrastructure to compete with card. It should be "must".
- **Make mandate portability explicit**. A modern direct debit system should allow mandates to be portable across PSPs without re-authorisation by the end-user, subject to appropriate consent. Without portability, switching costs entrench incumbents and undermine the "inclusive" objective.
- **Programmable and conditional payments**. The reference to "consent and authorisation frameworks that enable programmable and conditional payments" is welcome. We recommend going further: programmable payment authority (similar to PayTo agreements but extended to support richer conditional logic and broader use cases) should be considered core infrastructure, not an enhanced feature.
- **ISO 2022 as the default**. The vision references international standards but should commit explicitly to ISO 2022 as the messaging standard for all new A2A capability, including any forward path for BECS modernisation.

4.4 Accessible - needs strengthening

This is the area where we believe the vision is weakest relative to what end-users need.

- **Equitable treatment of all participants, direct or indirect**. Where indirect access remains, the vision should be explicit that access terms, pricing and service levels offered by sponsor ADIs to non-ADI PSPs should be transparent, non-discriminatory and subject to independent oversight. The framing of 'equitable basis relative to comparable institutions' implies that there may be different levels of treatment by class of participant. This should be removed.
- **Avoid conflating prudential and operational requirements**. Risk-based requirements should reflect the activity being undertaken, not the legal form of the

participant. A non-ADI PSP that does not hold customer funds presents a different risk profile from an ADI; access requirements should reflect that.

4.5 Commercially viable - important framing, needs precision

We strongly support the inclusion of commercial viability as a system characteristic. The distinction between "core" and "value-adding" features is the right one, but is operationally consequential and needs more precision.

- **Process for defining the core/value-add boundary.** The vision should describe how this boundary will be determined, who participates in that decision, and how it is reviewed over time. Without a transparent process, there is a risk that incumbents define "core" narrowly to preserve commercial advantages from features that could otherwise be standardised.
- **Transparency on cross-subsidies.** Where revenue from one part of the system subsidises another (e.g. interchange-funded models, sponsor bank pricing for indirect access), this should be disclosed at the system level.
- **Symmetry between participant viability and end-user pricing.** The current text emphasises that participants must be able to recover costs and earn a return. It should also explicitly state that end-user pricing pressure (low cost as an objective) is the primary discipline on participant costs, and that infrastructure pricing should not entrench excess returns.

4.6 Appropriately standardised - strong support

We strongly endorse the three areas identified for standardisation (data/payment/integration; trust/identity/security; user experiences/protections). We would add:

- Standardised dispute and chargeback frameworks and messaging across schemes, including the timeframes for resolution and the allocation of liability, are currently fragmented and a source of friction for businesses operating across both A2A schemes.
- Standardised reason codes for returns, refunds and exception cases are flagged in figure 6; we recommend the vision commit to ISO 20022-aligned reason codes specifically. This will allow immediate identification of participants processing erroneous message types and also allow for better international interoperability over time.
- API specifications should not just be aligned across organisations (as figure 6 suggests under "should") but standardised across the industry at the scheme level, so that PSPs can build once and connect everywhere.

Other system-level points

- **BECS modernisation.** The vision is technology-neutral and does not prescribe the future of BECS. Given the central role BECS plays for recurring payments today, the industry roadmap should provide a clear position on whether BECS is to be

modernised in place, or co-exist with NPP/PayTo over the long term. Uncertainty on this point materially affects investment decisions for PSPs.

- **Resilience and contingency.** Section 4.2 is strong. We would add that contingency arrangements should include the ability for non-ADI PSPs to maintain service during ADI sponsor outages — today, an ADI sponsor outage cascades directly to the PSPs they sponsor and to those PSPs' customers.
- **Digital identity integration.** The appendix correctly identifies digital identity as a critical external force. The vision should be more explicit that government-issued digital identity should be available to all licensed payment participants on equivalent terms.

Question 4 - Priorities for delivering the vision

What should be the key priorities for industry in the near-term?

We recommend the industry roadmap, to be developed in 2026, prioritise the following five workstreams. These are the items that, in our view, will most materially improve end-user outcomes in the shortest realistic timeframe.

1. A clear forward path for BECS

Industry needs an agreed position on BECS modernisation by the end of 2026, covering whether functionality migrates to NPP/PayTo, whether BECS itself is uplifted, and the transition arrangements. Without certainty here, PSP and merchant investment will continue to be sub-optimal, and progress on the broader vision will stall.

2. Equitable access and rules for non-ADI PSPs

A near-term workstream to define clear, transparent and proportionate access pathways — including direct participation options where appropriate, and standardised, non-discriminatory terms for indirect access. Access frameworks should be developed with explicit involvement of non-ADI participants.

3. Real-time payee and account validation as a baseline

Industry should commit to delivering Confirmation-of-Payee-equivalent functionality across BECS and NPP within a defined timeframe (we suggest 18–24 months). This is the highest-leverage single intervention for reducing mistaken and fraudulent payments and is well-established in comparable jurisdictions.

4. PayTo at scale, with mandate portability

PayTo is the most strategically important capability in the current Australian A2A stack but adoption is uneven and the end-user experience varies materially by ADI. Industry should target a defined PayTo coverage and consistency milestone, and incorporate mandate portability into the PayTo design before incumbents' implementations harden.

5. Standardised, machine-readable status and reason codes

Aligning on ISO 20022-based status updates and reason codes across schemes — and exposing those consistently through APIs — would unlock significant reconciliation and

customer-service efficiency for businesses, and is largely a co-ordination challenge rather than a technical one.

Opportunities, risks and barriers

Opportunities

- A well-governed industry roadmap is an opportunity to materially reduce the cost of payments in the Australian economy, a structural benefit comparable in scale to past reforms in superannuation and telecommunications.
- Australia is well-positioned to leapfrog: the existence of both BECS (for low-cost batch) and NPP/PayTo (for real-time, consented) provides building blocks few jurisdictions have.
- A globally interoperable, ISO 20022-aligned A2A system would support Australian exporters and reduce cross-border payment costs over time.

Risks

- **Capture risk.** Governance arrangements that over-represent incumbent ADIs relative to non-ADI PSPs, fintechs and end-users risk entrenching the status quo. We urge AP+ to ensure that the industry roadmap process includes meaningful, substantive representation from non-ADI participants and end-user groups, not just consultation. The AP+ board has significant representation from the Big Four banks and banking more generally. Will AP+ as the governing infrastructure body have enough independence to enforce change?
- **Scope creep and delay.** Ambitious visions that try to deliver everything simultaneously can stall on co-ordination problems. Sequencing matters: the five priorities above should be deliverable on the order of two to three years, not five to ten.
- **Underinvestment risk during transition.** If commercial returns on BECS are unclear, participants may underinvest in resilience and modernisation of BECS during the transition period. The roadmap should address this directly.
- **Standardisation overreach.** Standardisation in the wrong places (e.g. user experience patterns at the application layer) could inhibit competition. We support the vision's framing that standardisation should focus on areas where fragmentation undermines safety or reliability, or where network effects justify it.

Barriers

- ACCC authorisation timelines and the scope of authorised co-ordination may constrain the pace at which trade-offs can be negotiated between participants.
- Misalignment between scheme-level investment cycles (e.g. NPP, BECS) and the industry-wide vision could lead to duplicated or stranded investments.
- Customer education and migration friction will be significant for any change to BECS or to long-standing direct debit experiences. This needs to be planned for from the outset, not retrofitted.

Question 5 - Other feedback

Do you have any additional comments or feedback?

- **Public sector role.** The vision rightly identifies the public sector as a participant in governance. We would welcome more clarity on whether (and when) regulators, the RBA and Treasury would intervene if industry-led delivery of the roadmap stalls or there is impasse on industry agreement. A credible and ideally independent "backstop" position would strengthen incentives for timely industry co-ordination.
- **End-user representation.** AP+ and more specifically the Roundtable comprises industry bodies, the RBA and Treasury. For a vision centred on end-user objectives, we recommend the industry roadmap process formally includes consumer and various-sized (micro through to enterprise) business representative voices on governance forums.
- **International alignment.** We would welcome explicit reference to the G20 cross-border payments roadmap (referenced in scope) and to interoperability with comparable A2A systems (UK Faster Payments, EU SEPA Instant, Singapore FAST/PayNow, India UPI) as a highly desirable design consideration.
- **Measurement.** We support the inclusion of measuring success (section 6.3) and recommend the success metrics include: cost of A2A payments to end-users (consumer and business), share of recurring payments processed via A2A vs cards, time-to-onboard for new non-ADI participants, and end-user resolution time for mistaken or disputed payments.
- **Cadence of review.** Given the pace of change in payments technology (AI agent payments, digital assets, digital identity), we recommend the vision be formally reviewed no less than every three years, with lighter-touch annual assessments against the success metrics.
- **Ongoing engagement.** GoCardless would welcome the opportunity to participate directly in the development of the industry roadmap, particularly on workstreams covering direct debit modernisation, non-ADI access, and standardised data/messaging.

Summary

GoCardless thanks AP+ and the Roundtable for the opportunity to respond. The draft A2A vision is a credible and important piece of work with the refinements suggested above, in particular; sharper treatment of competition, access regime for non-ADI PSPs, and the modernisation of BECS direct debit, we believe it can serve as an enduring reference point for Australian A2A payments for years to come. We would be pleased to discuss any aspect of this submission with the team.



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