



THE MERCHANT RISK COUNCIL

AP+ | AUSPAYNET
PUBLIC CONSULTATION ON
DRAFT VISION FOR
ACCOUNT-TO-ACCOUNT
PAYMENTS

About the MRC

The Merchant Risk Council (MRC), is a global non-profit membership association, founded in 2000, that represents professionals in payments and payment fraud prevention.

The MRC organization comprises over 750 members – including merchants, banks, PSPs/acquirers, solution providers and law enforcement agencies – spanning North America, Europe, Latin America, and Asia.

Approximately 66% of MRC members are merchants, and we are committed to working collaboratively with payments industry stakeholders to ensure the merchant perspective remains central in discussions surrounding the continuous evolution of payments.

A key component of the MRC’s mission is focused on industry advocacy efforts that consider the perspectives of all stakeholders in the ecosystem. The MRC focuses on data-driven discussions that objectively reflect the needs and experiences of our diverse membership – ensuring that changes in the global regulatory landscape are executed in an informed, well-rounded and transparent manner.

Introduction

We welcome the opportunity from AusPayNet and AP+ to contribute to the evolution of the account-to-account payments (A2A) system. We applaud the intent to develop a framework that is safe, reliable, accessible, innovative, and commercially sustainable. We are also supportive of creating a long-term roadmap that enables the evolution of existing systems, including the transition away from legacy infrastructure such as the Bulk Electronic Clearing System (BECS), toward future-ready systems and overlays such as the New Payments Platform (NPP) and PayTo.

At the same time, we believe that the long-term success of A2A payments in Australia will depend on not only infrastructural modernisation, but on whether the ecosystem delivers practical and scalable outcomes for merchants, consumers, and other stakeholders in real-world commerce environments.

In this submission, we respond to the specific consultation questions raised by the A2A Payments Roundtable.

1. Vision resonance

The A2A vision resonates strongly with the MRC because it appropriately recognises that the future A2A ecosystem must be safe, reliable, interoperable, commercially sustainable, and capable of supporting a broad range of end-users and use cases. We particularly welcome the paper’s acknowledgement that affordability, transparency, operational resilience, and ease of use are critical to long-term adoption.



At the same time, we believe that the long-term success of A2A payments will ultimately depend on practical implementation and ecosystem readiness, not only strategic ambition. While Australia's A2A ecosystem has evolved significantly, there remain operational, commercial, and interoperability challenges that need to be addressed early in the process, before newer systems can fully support the breadth and scale of existing BECS-enabled use cases.

From a merchant perspective, the vision would benefit from greater emphasis on -

- Migration complexity and operational readiness;
- Standardised customer and merchant experiences;
- Dispute and remediation frameworks;
- Transparent and predictable commercial models; and
- Ecosystem-wide interoperability and governance.

Overall, we view the vision as directionally strong and supportive of innovation, but believe that successful execution will require a continued in-principle focus on real-world operational outcomes across the payments lifecycle.

We also note that the current merchant value proposition for PayTo remains uncertain in several sectors. For many merchants, the incremental economic benefits of migration remain unclear relative to the implementation effort and potential customer experience trade-offs. Greater clarity around the long-term merchant value proposition would further strengthen resonance with the vision.

On a scale of 1 to 7 in order of increasing resonance with the vision, we rate the vision a 5.

2. End-user objectives

The proposed end-user objectives broadly reflect the outcomes that the future A2A system should deliver. From our members' perspective, the highest priorities across the objectives are -

- Affordability and predictability of costs;
- Operational reliability and resilience;
- Ease of implementation and use across the ecosystem;
- Strong and proportionate fraud and dispute management mechanisms; and
- Interoperability and consistency across participants.

We particularly welcome the paper's recognition that affordability extends beyond transaction fees and includes onboarding, integration, reconciliation, compliance, and operational costs. This is

especially important because migration away from BECS will require significant investment from merchants, PSPs and ecosystem operators.

Similarly, ease of use should be interpreted broadly to include both customer-facing simplicity and operational simplicity for businesses, including the reality of customer checkout experiences. Today, most Australian consumers have payment cards readily available at checkout, while A2A mandate creation typically involves substantially more customer interactions and authentication steps. Unless the onboarding experience becomes materially simpler, merchants are likely to face lower conversion rates relative to card-based payment methods. More generally, we believe that customer adoption deserves greater attention within the vision. Along with infrastructural readiness, industry participants will need to consider how customers are encouraged to adopt new payment methods, and what incentives exist for changing established payment behaviours.

Additionally, merchants require predictable APIs, standardised messaging, reconciliation consistency, refund capabilities, and interoperable workflows across participants. International experience demonstrates that mandate-based payment products can experience materially different adoption outcomes based primarily on the quality of the authorisation experience. Standardised, intuitive and low friction mandate initiation journeys should therefore be viewed as a core success factor rather than a secondary implementation consideration.

We also support the objective of safety and reliability. We do, however, caution against friction-by-default approaches to fraud prevention that may negatively impact legitimate users and merchants. Fraud controls should remain risk-based, proportionate, and designed to minimise unnecessary friction.

One area that may require further exploration is how success against these objectives is measured over time. We encourage the roadmap to include measurable indicators tied to operational performance, merchant adoption, customer trust, and ecosystem consistency.

3. System characteristics

The proposed system characteristics broadly align with the stated end-user objectives and provide a strong foundation for the future A2A ecosystem. We support the emphasis on interoperability, resilience and availability, transparency, broad ecosystem participation, security and fraud management, and commercially sustainable operating models. However, from a merchant perspective, several areas would benefit from additional focus and specificity.

One area that remains less developed is the availability of operational data regarding fraud, scams, disputes, and liability outcomes. Merchants currently have limited visibility into the emerging risk profile of PayTo transactions, making it difficult to assess exposure, model risk, and design controls.



As the ecosystem evolves, transparency around fraud and dispute performance should become an important supporting characteristic of the system.

Interoperability should extend beyond technical connectivity, and should include operational standardisation across mandate flows, reconciliation processes, dispute handling, payment messaging, refund frameworks, and customer experiences. Fragmentation in these areas creates operational complexity and negatively impacts customer trust and merchant adoption.

Commercial sustainability should explicitly consider the cumulative operational and migration costs borne by the merchants and PSPs. A2A systems will struggle to scale in commerce environments if implementation and operational economics become unpredictable or materially more expensive than existing alternatives.

On disputes and remediation, while the paper recognises their importance, we believe that clearer direction is needed around liability allocation, refund frameworks, remediation timelines, and fraud response coordination across ecosystem participants.

For recurring payment use cases, additional consideration may be needed regarding mandate management and cancellation mechanisms. Merchants may face operational challenges where mandates can be modified or cancelled outside merchant-managed customer-service environments. Appropriate notification and transparency mechanisms will be important to minimise customer confusion and service disruption.

Finally, resilience should include merchant-facing operational resilience metrics such as payment confirmation reliability, API uptime, refund processing timelines, and reconciliation availability.

4. Priorities for delivering the vision

From the MRC's perspective, the near-term priorities for industry should focus on practical ecosystem readiness and operational scalability.

The first priority should be ensuring that replacement systems are genuinely capable of supporting the breadth and scale of current BECS use cases before legacy infrastructure is sunset. This includes recurring payments, bulk payment functionality, high-value transactions, and operational resilience at scale.

The transition away from BECS is not plug-and-play, and will require significant redesign of merchant integrations, operational workflows and customer journeys. Industry should, therefore, prioritise realistic transition timelines, coordinated testing frameworks, and interoperability planning across legacy and future systems.



Particular attention should be given to high-volume batch payment use cases. Government agencies, insurers, and large enterprises often operate treasury and ERP environments that generate BECS-based payment files as part of deeply embedded business processes. The roadmap should provide greater clarity regarding migration pathways, format conversion responsibilities, implementation timelines, and cost allocation to ensure that these participants can transition without significant operational disruption.

We will also need greater standardisation and consistency across APIs, mandate authorisation journeys, messaging, reconciliation, and refund processes to reduce friction for merchants and customers alike.

Industry should also prioritise development of a compelling merchant value proposition. Adoption will remain limited if merchants perceive migration costs, operational complexity, and customer experience challenges to outweigh potential economic benefits.

Dispute management will also need to be prioritised. We should develop robust dispute, fraud and liability frameworks that are proportionate to real-time A2A systems while maintaining customer trust and minimising operational uncertainty for merchants.

Finally, we must ensure transparency and sustainable commercial models, including predictable fee structures and meaningful participation pathways for merchants, PSPs and non-bank ecosystem participants.

Some risks and barriers we see are around fragmented implementation across participants, inconsistent customer experiences across issuer environments, unclear liability allocation, migration complexity and operational burden, customer adoption challenges due to the required behavioural shift, social engineering and scam risks, and commercial models that undermine adoption incentives.

5. Other feedback

The MRC remains supportive of Australia's efforts to modernise its payments ecosystem and appreciates the collaborative approach reflected in this consultation process. We continue to believe that the long-term success of A2A payments will depend on practical implementation, operational consistency, customer trust, and commercial sustainability across the ecosystem.

We also note that A2A systems will coexist alongside other methods of payment like cards, wallets etc. Accordingly, success should be measured through the ecosystem's ability to support a wide and diverse range of payment preferences, use cases, and customer needs.



We encourage industry participants to view adoption as both a technical and behavioural challenge. Delivering infrastructure capability alone may not be sufficient to drive meaningful uptake. Long-term success will also depend on consumer trust, merchant incentives, and consistently positive user experiences across the ecosystem.

We support continued engagement across stakeholders in the A2A conversation throughout the roadmap development process to ensure that implementation decisions remain grounded in real-world commerce environments and customer experiences.

We remain eager to support Australia's vision for the future of A2A payments - one that fosters innovation, reduces friction, and strengthens resilience. We look forward to it being grounded in practical, scalable and equitable implementation.

If it would be helpful to discuss the positions highlighted in this paper, please feel free to contact [REDACTED] [REDACTED] at the MRC.

