**BasicsCard Merchant Terms**

# Introduction

## About these merchant terms

* 1. The merchant terms and application, and any special conditions from the approval letter create the BasicsCard agreement.
	2. The merchant agrees with Services Australia to take part in the BasicsCard scheme based on the BasicsCard agreement. The merchant must follow the BasicsCard agreement.
	3. When there is inconsistency between the terms of the BasicsCard agreement, the following order of precedence applies:
	4. any special conditions referred to in the approval letter
	5. these merchant terms
	6. the merchant application.
	7. The merchant must comply with the BasicsCard agreement and instructions we give for their participation in the BasicsCard scheme.
	8. The BasicsCard agreement terms are in addition to any terms the merchant has with its acquiring institution.
	9. The BasicsCard agreement starts on the date we specify in the approval letter. It remains in force until we terminate it in accordance with these merchant terms.

# Part A: BasicsCard transaction

## Prohibited transactions

2.1 The merchant must not accept a BasicsCard or process a BasicsCard transaction:

1. for the sale of any excluded goods or excluded services
2. for cash out or a refund, including a refund for an approved lay-by, or otherwise
3. if we suspend or cease their approval as a BasicsCard merchant
4. for a gift card or a store voucher
5. for internet, mail order or telephone-based purchases
6. for a lay-by payment, unless the lay-by is an Approved Lay-By
7. for a pre-payment, unless it is to immediately purchase a taxi cab service or petrol or diesel
8. to repay a debt, including credit arrangement instalments for goods or services they’ve provided a card holder or third party
9. if they suspect that the person trying to use the BasicsCard is not the authorised card holder
10. for fraudulent use of the BasicsCard.

## Merchant’s general obligations at stores

3.1 At each store, the merchant must:

1. honour a valid BasicsCards to buy eligible goods and services. Subject to the terms of the BasicsCard agreement, any legal right the merchant has to refuse service, and the availability of the payment system.
2. provide an EFTPOS receipt for each BasicsCard transaction to the card holder
3. not hold onto a card-holder’s BasicsCard or keep a record of their PIN, even if the card-holder asked them to
4. not accept a card-holder’s BasicsCard as security, collateral, or assurance. Or, process a BasicsCard transaction for any credit or loan the merchant provides to anyone, including as part of a book-up arrangement
5. ensure that they enter instructions and information into the payment system and reflect the underlying BasicsCard transaction
6. not add any charge or fee for using a BasicsCard, unless they add that same charge or fee for all EFTPOS cards
7. not impose a minimum spend for a BasicsCard of more than $5
8. issue refunds for a BasicsCard transaction to the customer’s BasicsCard instead of cash. This includes refunds for a cancelled lay-by
9. not use their terminal outside of a store unless we have approved it
10. not use their terminal to process a BasicsCard for goods and services not sold by their store
11. unless agreed in writing, display posters, stickers and other display material we give them within all their stores, using our display instructions
12. not process a BasicsCard if they’ve already processed the card through the payment system
13. not process a BasicsCard Transaction contrary to any messages displayed on the Merchant Terminal, other than as set out in sub-clause (n) below
14. not process a BasicsCard Transaction if a message displays on the Merchant Terminal saying the transaction is approved with signature
15. not process a BasicsCard if they’re aware that the terminal or payment system is not online or is not functioning
16. not process a BasicsCard using a handwritten voucher or an imprint machine, also known as a click-clack machine
17. make all reasonable efforts to resolve disputes with a card-holder which relate to using a BasicsCard.

## Additional obligations for merchants that sell excluded goods or excluded services

4.1 A merchant that sells or provides excluded goods or excluded services must:

1. give an itemised receipt and EFTPOS record for each BasicsCard transaction
2. keep itemised receipts of each BasicsCard transaction in an ordered and auditable filing system for at least 2 years.

## Approved lay-bys

5.1 The merchant may accept and process a BasicsCard for payment of an approved lay-by.

5.2 Lay-by is a purchase of goods where the card-holder pays the total price over time in regular payments. The card-holder gets the goods after their final payment, and the merchant provides the card-holder with both a:

* + 1. document setting out the merchant’s terms and conditions of the lay-by service
		2. detailed lay-by docket for the particular lay-by purchase of goods stating
1. the deposit amount
2. the duration of the lay-by period
3. the frequency and minimum amount of payments required
4. the merchant’s lay-by cancellation policy, including refunds of deposits or any payments made.

## Transactions processed which breach the BasicsCard agreement

6.1 If the merchant becomes aware of an invalid transaction, they must do both of the following:

1. tell us, and provide details of the invalid transaction
2. try to refund the card-holder the invalid transaction amount via the payment system within a reasonable timeframe.

6.2 If the merchant can’t refund the card-holder for the invalid transaction, we may send them a notice asking them to pay us the amount.

6.3 The merchant must comply with a notice under clause 6.2. Unless they can give us evidence within 30 days of getting the notice confirming that they incorrectly identified it as invalid transaction.

# Part B: Other merchant obligations

## Merchant personnel

7.1 The merchant is responsible for ensuring that all their personnel conduct BasicsCard transactions according to the BasicsCard agreement.

7.2 The merchant must explain to us about any breach of the BasicsCard agreement by their personnel.

7.3 The merchant acknowledges that we may withdraw their BasicsCard approval if their personnel breach the BasicsCard agreement.

## Compliance measures

8.1 The merchant must:

* + 1. take all reasonable steps to implement systems, processes and training to help meet its obligations under the BasicsCard agreement
		2. conduct training to ensure that personnel who may be store managers or process BasicsCards, understand all their obligations under the BasicsCard agreement
		3. ensure that people it contracts to operate a store, or allow to use its in-store facility both:
1. understands the merchant’s obligations under the BasicsCard agreement
2. complies with the BasicsCard agreement
	* 1. give evidence of its systems, processes and training it undertook to compy with the BasicsCard agreement within 10 business days of the date we request it.

## Remediable breaches by merchant

9.1 We may send the merchant a remedy notice if we think they’ve breached the BasicsCard agreement in a way that can be remedied, without limiting any of our rights.

9.2 The merchant must remedy any breach we notify them of to our satisfaction within the period we specify in the remedy notice.

## Liability, costs and charges

### Acquisition and settlement of BasicsCard transactions

10.1 The merchant must rely on its in-store facility and its acquiring Institution for the acquisition and settlement of BasicsCard transactions.

10.2 We are not responsible or liable to acquire or settle any BasicsCard transactions for the merchant.

### We are not liable

10.3 We are not liable for any loss the merchant incurs, however caused, which arises directly or indirectly from either:

* + 1. the merchant’s inability to process a sale or refund using a BasicsCard
		2. delays in the merchant’s ability to process a sale or refund using a BasicsCard.

### Costs and charges

10.4 The merchant is responsible for any fees, charges, costs or expenses it incurs for processing BasicsCard transactions or complying with the BasicsCard agreement.

## Notification events

### Events requiring immediate notification

11.1 The merchant must notify us immediately if they:

* + 1. suspect or become aware that a card-holder used, or attempted to use, a BasicsCard in fraudulently or contrary terms or conditions in the BasicsCard agreement
		2. becomes aware of any technical or operational error relating to a BasicsCard
		3. becomes aware that one or more of its approved terminals is unable to process a BasicsCard transaction or is not functioning correctly.

### Other notification events

11.2 The merchant must notify us within one business day after any of the following:

* + 1. they’ve started selling excluded goods or services. Or their annual revenue from excluded goods or services has changed substantially since they applied for BasicsCard approval or last reported to us
		2. their annual revenue from the sale of excluded goods or services in dollar value in the last financial year formed 50% or more of their total annual revenue
		3. they change its acquiring institution, or changes the nature of its in-store facility
		4. the merchant changes their main business activity or activities
		5. any change in the merchant’s business contact details
		6. any of the information the merchant contains in their merchant application or previously reported to us becomes incorrect or misleading in any respect
		7. they use a merchant terminal outside of a store without our approval
		8. there is any change in the direct or indirect beneficial ownership or control of the business
		9. it disposes of the whole or any part of its assets, operations or business to the extent that it include one or more stores
		10. it ceases business or closes one or more stores
		11. it ceases to be able to pay its debts on time
		12. a mortgagee takes any step to take possession or dispose of the whole or any part of its assets, operations or business
		13. they take any step to enter into any arrangement with its creditors
		14. they take any step to appoint a:
1. receiver
2. a receiver and manager
3. a trustee in bankruptcy
4. a liquidator
5. a provisional liquidator
6. an administrator or other like person of the whole or any part of its assets or business
	* 1. they take any step to dissolve a partnership if they’re in a partnership
		2. the merchant becomes aware that it or any of its merchant personnel have:

(i) become the subject of an investigation by a regulatory body

(ii) had an adverse decision made against them by a regulatory body

## Changes to a merchant’s EFTPOS system

12.1 If a merchant advises us that there have been changes to its EFTPOS system, we will:

* + 1. ascertain what the change is and the reason for the change
		2. record the:
1. store name, location and ID, if known

(ii) merchant’s contact details

(iii) date of deactivation or activation

(iv) details of the acquirer ID, if changing acquirers, card acceptor ID and terminal IDs

* + 1. advise the card transaction provider of the new details.

# Part C: Compliance review process

## Compliance review

13.1 We, a person we nominate, or the Australian National Audit Office (ANAO), may review the merchant’s compliance with its obligations under the BasicsCard agreement. This includes:

* + 1. the merchant’s processes, practices and procedures related to their participation in the BasicsCard scheme
		2. the quality and accuracy of the merchant’s records and reports related to the BasicsCard agreement
		3. any other matters we think are relevant to the merchant’s compliance with the BasicsCard agreement or participation in the BasicsCard scheme.

13.2 We may conduct a compliance review without notifying the merchant prior.

### Access

13.3 In a compliance review, we, including officers, agents or a person we nominate under this clause, or the ANAO may, during normal business hours and on giving reasonable notice to the merchant:

* + 1. access the premises of the merchant
		2. inspect and copy documentation, books and records, however stored, relating to BasicsCard transactions or the merchant’s performance of its obligations under the BasicsCard agreement
		3. require help for any enquiry into or concerning the merchant's compliance with the BasicsCard agreement or participation in the BasicsCard scheme.

13.4 The merchant must comply with any request we make under clause 13.3. This including giving access to its records, including providing use of any device necessary for access.

13.5 In a compliance review, we, or the ANAO may request extra information from the merchant. The merchant must respond to these requests within 10 business days or any other period specified in the request.

### Costs

13.6 If we find that the merchant has breached the BasicsCard agreement, we may request the merchant to reimburse us for the costs we incurred to conduct the compliance review.

# Part D: Suspension, withdrawal and termination of merchant approval

## Suspension of approval

14.1 We may send a written notice to the merchant to tell them we’ve suspended their approval. And, immediately deactivate the merchant’s access to the BasicsCard payment system, at its discretion where:

* + 1. we have reason to suspect that the merchant has breached, or may have breached, the BasicsCard agreement
		2. we become aware that the merchant or any of its personnel have:
1. become the subject of an investigation by a regulatory body
2. had an adverse decision made against them by a regulatory body
	* 1. we determine, in its absolute and sole discretion, that the merchant may or has engaged in conduct that is detrimental to our reputation or the BasicsCard scheme.

14.2 If we suspend a merchant’s approval, we will notify them in writing. We’ll also tell them the date the suspension starts and its intended duration, which may be until further notice.

## Withdrawal of Approval

### Voluntary withdrawal by merchant

15.1 The merchant may voluntarily withdraw from the BasicsCard scheme at any time. It can do this by notifying us of its intention to withdraw, in accordance with [clause 24](#_Notices).

15.2 When we get notice from the merchant pursuant to clause 15.1, we will notify the merchant of a deactivation date. This can be any date within 20 business days of the date we get the merchant's notice of intention to withdraw.

15.3 We will terminate the merchant's BasicsCard approval on the deactivation date we notify it of by our pursuant to clause 15.2.

### Withdrawal of approval by us after certain events

15.4 We may withdraw a merchant’s approval to participate in the BasicsCard scheme at any time where:

* + 1. the merchant no longer provides eligible goods and services
		2. the merchant is no longer eligible for approval under [section 4](#_Additional_obligations_for) of the merchant application due to a change in the merchant’s circumstances
		3. the merchant fails to rectify any issues raised in a remedy notice to our satisfaction within the period stated in the remedy notice
		4. we view the merchant has breached its obligations under the BasicsCard agreement, and they can’t remedy it
		5. the merchant fails to comply with its obligations under [clause 13](#_Compliance_review) of these merchant terms
		6. the merchant does not participate in a compliance review in the manner we request
		7. any information the merchant provides to us is, or becomes, untrue or misleading
		8. the merchant has not processed any BasicsCard transactions for 12 months
		9. DSS advises us that a merchant they approved in exceptional circumstances should have its approval withdrawn
		10. DSS approved the merchant on a trial basis and the trial period specified by DSS ends
		11. we are unable to contact the merchant after having made reasonable attempts to do so
		12. we determine, in our absolute and sole discretion, that the merchant's continued participation in the BasicsCard scheme is likely to harm our reputation or the BasicsCard scheme.

15.5 We will notify the merchant in writing of its withdrawal decision.

15.6 If we withdraw the merchant’s approval, we will include information about how to request a review of the decision in the notification letter.

## Termination of BasicsCard agreement

### Termination when approval ceases

16.1 The BasicsCard agreement will terminate if the merchant is no longer approved for the BasicsCard scheme.

16.2 We will tell the merchant what date we’ll deactivate their access to the BasicsCard payment system. This may be the same as or different to the termination date.

### Consequences of termination

16.3 As soon as we terminate the BasicsCard agreement:

* + 1. the merchant must not accept and process a BasicsCard, even if we haven’t deactivated their access to the BasicsCard payment system yet
		2. the merchant must promptly remove any BasicsCard logo or other BasicsCard display material from each store
		3. the merchant must return any agency material to us
		4. the merchant waives all rights to damages, claims or other compensation from us for any loss it suffers or may suffer as a result of the termination, however caused
		5. it does not affect our accrued rights or remedies and the merchant, other than as referred to in paragraph (d) above.

## Survival

Clauses [2.1](#_Prohibited_transactions), [6](#_Transactions_processed_which), [10](#_Liability,_costs_and), [16.3](#_Consequences_of_termination), [19](#_Warranties), [20](#_Ownership_of_intellectual), [22](#_Assignment) and [23](#_Governing_law) of these merchant terms survive any termination of the BasicsCard agreement.

# Part E: Other terms

## Variation

* 1. We may vary all or part of the BasicsCard agreement for all merchants or for a specific merchant. We’ll do this by issuing a variation notice.
	2. When we issue a variation notice, we will either:
1. publish it on our website
2. issue it to the merchant.
	1. A variation under clauses 18.1 and 18.2 starts on the date we specify in the variation notice.

## Warranties

19.1 The merchant represents and warrants that the information it provides in their merchant application or otherwise is true and not misleading at the time they submit it. This includes by omission or otherwise.

19.2 The merchant represents and warrants to us that all BasicsCard transaction information the merchant provides to us is true and complete.

## Ownership of intellectual property

20.1 The merchant has no right, title or interest in our material. Other than the right to use our material to perform its obligations under the BasicsCard agreement.

## Assignment

The merchant cannot assign its rights under the BasicsCard agreement.

## Governing law

22.1 The laws in force in the Australian Capital Territory govern the BasicsCard agreement. The merchant permanently and unconditionally submits to the non-exclusive jurisdiction of the courts of the Australian Capital Territory.

## Privacy

23.1 When using a BasicsCard, the merchant must:

* + 1. only collect or keep personal information if required by the BasicsCard agreement or law
		2. comply with its obligations under relevant secrecy provisions and the *Privacy Act 1988* (Cth). And in particular, to protect all information received from misuse, interference and loss, unauthorised access, modification or disclosure
		3. comply with our directions about the collection, recording, use or disclosure of card-holder information
		4. only disclose personal information if:
1. required to by these merchant terms or law

(ii) the individual whom the personal information relates consents

(iii) the Australian Privacy Principles permits it.

* + 1. ensure that it does not do an act, or engage in a practice, that would breach the Australian Privacy Principles if done by us. This relates to any information referred to in subclause (a)

23.2 In this clause 23, the terms personal information and Australian Privacy Principles have the same meaning as they have in the *Privacy Act 1988* (Cth).

### Specific obligations relating to account balance information

23.3 In addition to [clause 23.1](#_Privacy), where an itemised or EFTPOS receipt contains information about a cardholder’s BasicsCard account balance, the merchant must not:

* + 1. record, monitor or use the customer’s BasicsCard account balance for any reason, other than to comply with clause 4(b) of these terms
		2. disclose the itemised receipt or other EFTPOS receipt to anyone unless:
1. the disclosure is to the card holder in accordance with [clause 4(a)](#_Additional_obligations_for) of these merchant terms
2. the disclosure is to us or the ANAO in accordance with [clause 13](#_Part_C:_Compliance) of these merchant terms
3. the Australian Privacy Principles in the *Privacy Act 1988* (Cth) permit the disclosure.

23.4 if the merchant doesn’t comply with clause 23.3, we may, at its discretion, stop making a card-holder’s BasicsCard account balance available on itemised or EFTPOS receipts. This is in addition to the rights and remedies we state under [clause 15.4](#_Withdrawal_of_approval).

## Notices

24.1 The merchant must give any notice or other communication about the BasicsCard agreement to us in writing. They must email our Income Management team at impact.basicscard@servicesaustralia.gov.au

24.2 We will send any notice or other communication about the BasicsCard agreement to the merchant, other than a variation notice under [clause 18.2(a)](#_Variation). We’ll send it to the contact details the merchant provided us with in its merchant application or subsequently.

24.3 We may choose to send a notice or other communication to the merchant by registered post. We will deem that the merchant has received the notice or communication when we get a delivery confirmation from Australia Post.

## Interpretation

For the purposes of these terms:

* + 1. a sale includes the supply of goods or services
		2. the singular includes the plural and vice versa
		3. where a party consists of 2 or more persons, their obligations are joint and several
		4. a reference to legislation is a reference to that legislation as in force from time to time
		5. the expressions acquire, good, service and supply have the same meaning as in the *Competition and Consumer Act 2010* (Cth).

## Definitions

In the BasicsCard agreement, unless the opposite appears, words and expressions mean the following:

**Acquiring institution,** the institution supplying the merchant with an in-store facility.

**Approval,** an approval we grant for an entity or entities to participate in the BasicsCard scheme as a merchant, and approve and approved have corresponding meanings.

**Approval letter,** the letter we send to the merchant where we notify the merchant that we’ve approved it to participate in the BasicsCard scheme.

**Approved lay-by** has the meaning stated in [clause 5.2](#_Approved_lay-bys) of these merchant terms.

BasicsCard, a stored value card we issue to a card holder in accordance with sections 123YE or 123YF of the *Social Security (Administration Act) 1999* (Cth). It shows a BasicsCard logo with the first 6 card number digits, 502949.

BasicsCard agreement, the agreement between us and the merchant about the merchant’s participation in the BasicsCard scheme. It includes these merchant terms, which may vary, the merchant application, and any special conditions we state in the approval letter, or have notified the merchant of.

BasicsCard scheme, the administrative scheme established by the Australian government. And described in the merchant application for the provision, use and operation of BasicsCard to enable card holders to undertake BasicsCard transactions.

BasicsCard transaction, any sale or refund transaction on a merchant terminal for the use of a BasicsCard.

**Book-up arrangement,** an arrangement where the merchant offers card-holders credit on a one-off or continuing basis. To purchase goods or services, whether or not the merchant holds any security, such as a BasicsCard and a card-holder PIN.

**Business day,** a day that is neither a:

* weekend
* public holiday in the state or territory of the merchant's head office as recorded in the BasicsCard application.

Card holder, a person we’ve issued with a BasicsCard.

Card transaction provider, a contractor we engage to provide services under the BasicsCard scheme.

**Agency material,** any material:

* owned by us, or which we have or get a licence to use
* which we provide to the merchant for the BasicsCard scheme.

**Agency,** the Commonwealth of Australia as represented by the Australian Government agency Services Australia, trading as Centrelink ABN 29 468 422 437.

**DSS,** the Australian Government Department of Social Services.

EFTPOS, electronic funds transfer at point of sale.

Eligible goods and services, priority needs as per section 123TH(1) of the *Social Security (Administration) Act 1999* (Cth). And other eligible goods and services listed in part 4.2 of the merchant application.

**Excluded goods,** includes:

* alcoholic beverages
* home-brew kits
* home-brew concentrate
* tobacco products
* pornographic material
* any other goods the minister specifies in a legislative instrument for the purposes of section 123TI(1)(d) of the *Social Security (Administration) Act 1999* (Cth).

**Excluded services**, includes:

* gambling products and services
* any other services which the minister specifies in a legislative instrument for the purposes of section 123TI(2)(b) of the *Social Security (Administration) Act 1999* (Cth).

Gambling, a service provided to a person like a cardholder of a gambling service, within the meaning of the *Interactive Gambling Act 2001* (Cth).

**In-store facility,** the facility that transmits instructions through a merchant terminal. And the payment system relating to the acquisition and settlement of card transactions to supply goods and services.

**Itemised receipt,** an automatic till printout which lists the items sold and the item price. It lists by product name or by an specific code for the item such as food or household item. If the merchant can’t print it from the till, it can manually write it, such as from a carbon book.

**Invalid transaction,** any transaction processed that breaches [clause 2](#_Prohibited_transactions) of these merchant terms.

**Invalid transaction amount,** any amount paid to the merchant in an invalid transaction.

**Merchant,** the entity or entities that we approve to participate in the BasicsCard scheme, subject to the terms of the BasicsCard agreement.

Merchant application, the BasicsCard merchant applicationsigned by, or on behalf of, the merchant seeking our approval for the merchant to participate in the BasicsCard scheme.

**Merchant personnel,** any person the merchant allows or contracts to use a merchant terminal. Regardless of whether that person is an employee, agent, officer, contractor, subcontractor or any other party engaged to perform a service for the merchant.

**Merchant terminal,** any EFTPOS terminal we’ve activated to process BasicsCard transactions under the merchant’s approval. Or, that we have subsequently activated in order for the merchant to process BasicsCard transactions.

Merchant terms, this document, which may vary in accordance with [clause 18](#_Variation) of these merchant terms.

**Payment system,** the process conducted through the in-store facility where, on instructions given through a merchant terminal, a card holder’s BasicsCard is:

* debited for the sale of goods and services supplied to the card holder
* credited for any refund for goods and services previously supplied to the card holder.

Pornographic material has the meaning as in section 123TJ of the *Social Security (Administration) Act 1999* (Cth).

Regulatory body, the Australian Competition and Consumer Commission (ACCC), the Australian Securities and Investments Commission (ASIC). Or a state agency or agency responsible for fair-trading, or other Commonwealth or state agencies.

Remedy notice, a notice we issue in accordance with [clause 9](#_Remediable_breaches_by). It provides details of an alleged BasicsCard agreement breach by the merchant and requires the merchant to remedy the alleged breach within a specified period.

Services Australia / we / us / our, the agency responsible for delivering Centrelink, Medicare Australia, Child Support Agency payments and services.

Special condition, any condition on which we have granted approval to the merchant. It is in addition to, or a variation of, these merchant terms and the terms of the merchant application.

**Store,** any location the merchant operates where we’ve activated one or more fixed or temporary terminals to accept and process BasicsCard transactions. It includes any taxi-cab or minibus where a merchant terminal is in use.

Tobacco producthas the same meaning as in the *Tobacco Advertising Prohibition Act 1992* and means:

* tobacco, in any form
* any product for human consumption or use, like a cigar or cigarette, where tobacco is its main or a substantial ingredient. The Therapeutic Goods Act 1989 does not include it under the Australian Register of Therapeutic Goods. A tobacco product also is a cigarette paper, cigarette roller or pipe.

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