

How Australians Pay

When you pay for something, you can usually choose how you pay. Here are some of the most common payment methods.



When you pay – for example, in a shop – the shop owner faces costs for accepting your payment, including bank fees and the opportunity cost of their time. These costs depend on how you pay.

Cash is usually a low-cost method, particularly for small transaction sizes. A shop owner might not pay any fees related to the use of cash, but may face other costs (for example, time taken to deposit the cash received).



Debit cards (which use your own money from your bank account) are generally lower cost than credit cards.

Shop owners usually pay higher fees to accept **credit cards** (which borrow money from your card provider). Fees vary depending on the type of card, and are typically higher for cards that provide rewards (such as frequent flyer points) to the cardholder.



If you use a more expensive payment method, the shop owner has to pay for it. Shop owners can either increase the prices of what they sell for all customers, or can pass on the cost directly to customers that use high-cost methods by adding a surcharge, which encourages people to switch to low-cost methods.