Australian Government
Australian Taxation Office

Key Outcomes

Title:	Focus group meeting: Payment thinking		
Issue date:	16 July 2019		
Venue:	Webinar		
Event date:	11 July 2019	**Start:** 2:00pm	**Finish:** 3:00pm

Chair:	Sonia Lark	Facilitator:	Sonia Lark
Contact	Sonya Summers	Contact phone:	02 472 57383

Attendees: names/section	ATO - Justine Covey, Nathan Harris, Martin Kenseley, Sonia Lark, Danielle Miller, Warren Sturgiss, Vitaly Sidorenko, Kylie Johnstone
	Industry – Simon Foster (Squirrel Street), Brian Miller (Intuit), Mike Behling, Kate Fleming, Joan Tamayo (MYOB), Brett Reed (ePayDay), Michael Wright (Sage), Kevin Johnson (Reckon), Allen Knight (TaxLab), Jamie Wells, Tim Wright (Xero), Damien Eley
Apologies: name/section	Chris Howard (ABSIA), Mike Denniss (Class), Anthony Migliardi (Xero), Mike Roberts (TaxLab), Karen Lay-Brew (ABSIA).

Next meeting	TBC

Open discussion: Leveraging ATO credit card payments in software

Sonia Lark welcomed the group and introduced the topic of discussion: *to introduce and gauge Digital Service Provider interest in leveraging the **ATO Credit Card Payments solution** in software.*

Nathan Harris opened the discussion by explaining the ATO's intent to improve the current capability to pay a debt through ATO online services for individuals and agents. The improvements include:

- Storage and management of credit card token details
- Creation of recurring and future-dated payments
- Ability to link to recurring payment structure – payment plans
- Expansion of offering to business clients

Nathan would like to know what else the software industry is interested in - whether there is appetite for consuming the ATO service, or whether DSPs prefer to manage credit card details within their own applications.

Nathan provided an overview of the current tokenisation and payment approach. The ATO creates an html web form that is hosted by the RBA's payment gateway provider. In ATO Online an iFrame is used to load the html web form from the RBA's payment gateway provider. After selecting accounts and supplying payment values, the ATO calculates and displays the total and surcharge, the user enters their credit card details into the form and it is submitted back to the RBA's payment gateway provider. The outcome of card tokenisation is sent to the ATO's systems. We use the make payment button to trigger both the card tokenisation and, subsequently, the actual payment. From the user's perspective they just click a button.

We are still determining the impact of moving to a recurring payments solution rather than the current one-off payment solution.

The service will allow users to:

- Add a card
- Remove a card
- Manage card details
- Initiate a payment using a card

Simon Foster commented that there are examples within industry which handle tokenised data and it is not a simple process. He went on to advise that if software developers have to handle the tokenised data themselves, there is no added value in using the ATO service. There is a lot of complexity in what is being proposed, and many developers would want to do this themselves.

Brett Reed added that their software already allows users to move money for payments to a 'holding' account, and he struggles to see the benefit of the ATO solution to a developer. He would be more interested to see notification of debt.

Nathan advised that Listing, Linking to a payment plan or Deleting credit card details are fairly straightforward – it's adding a new card where the complexity lies.

Tim Wright advised it might be beneficial to see what proportion of payments to the ATO are made by credit card as opposed to other payment methods.

There was some discussion about security risks and the group agreed consideration needed to be given to exposure to 'flooding' or DoS (denial of service) attacks.

Nathan advised the service would be free for developers, however added that there may be costs involved if they wanted to create their own web forms.

There was discussion on the current credit card payment service within Online Services. Simon Foster commented that if the proposed service is not seamless like the integrated service in myGov, there was little value – the myGov service is a great experience. He would like to see a similar flow for BAS and IITR inside software.

The group agreed there would also need to be more consideration given to authentication requirements as there were risks in exposing account balances in an unauthenticated environment.

Kevin Johnson asked how adding a credit card authority would work in software considering agents cannot add a new direct debit authority. Agents can only set up a direct debit payment if there is an existing direct debit authority in place.

Nathan agreed – using card details that the ATO already has stored is a simple process. The complexity of adding a new card in real time is what needs to be addressed. Kevin added that even being able to select a pre-stored credit card would be a huge step forward.

Mike Behling proposed a flow where the PRN service was used to obtain the PRN for the account, the payment was pushed to the RBA using the PRN, then the RBA notifies the ATO of receipt of the payment – there is no need to advise the ATO that a payment has been made, and the developers could use their own payment systems, not needing any additional ATO services. Nathan agreed this would work.

When we refer to credit cards, this also encompasses debit card for the purposes of this service.

In closing, Simon Foster summarised the general position of the group:
- There is some level of interest, but additional information is needed
- A flow similar to that in myGov is very attractive
- Implementation could be complex
- There are security concerns which need to be addressed
- Some vendors are interested in processing payments themselves within software

Nathan also advised that the ATO applies the RBA surcharge for credit card payments, and percentage varies depending on the card type. The ATO calculates the different surcharges for credit and debit cards and messaging is very clear regarding its imposition.

Next steps:

- Nathan, in conjunction with DWIS, will develop some high-level use-cases which will be brought back to the group
- Nathan will pull together some data on proportions of the various payment methods
- A sample form for the current online services payment function will be provided

Nathan advised he would welcome any one-on-one conversation with developers if any are interested. Email DPO@ato.gov.au if you are interested in speaking with Nathan.

The group will reconvene mid August.