

MasterCard buys into Bendigo and Customers switch

MasterCard International will take a 20 per cent stake in the payments processing business being developed by Bendigo Bank and Customers Limited, to be known as Strategic Payments Services. Bendigo and Customers will hold stakes of 40 per cent each.

The trio said in a media release yesterday that they would adopt the Postilion EFT software from the S1 Corporation. The company will install the switch (to be run on Stratus Technologies servers, according to the media release) in MasterCard's offices in North Sydney.

The switch will exploit MasterCard's existing agreements with banks and other switches, sparing the venture from the need to negotiate and test bilateral links.

The inferred investment for the three parties is around \$12.5 million, given that Customers have said they will invest up to \$5 million.

Greg Baker, managing director of Customers, said yesterday SPS aimed to be processing transactions by later this year. As for the target market, he said that was "...the entire market. We are not going to be bound by any definitional issues."