

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
Greater Bank Limited

#	Question
GRE01QW:	<p>Westpac has publicly stated that it will defer repayments on credit cards for COVID-19 affected customers (Westpac Freezes Credit Card Charges for COVID-19 hit customers, <i>The Age</i>, 24 April 2020). Therefore, can you please advise:</p> <p>(a) What processes do you have in place to identify credit card customers who have been impacted by the COVID-19 pandemic?</p> <p>(b) How many credit card customers have requested deferrals of repayments related to the COVID-19 pandemic?</p> <p>(c) How many credit card customers have you identified as impacted by the COVID-19 pandemic?</p> <p>(d) For those credit card customers that you have identified as impacted by the COVID-19 pandemic:</p> <p>(i) What is the accumulated value of the credit card debt?</p> <p>(ii) What is the average value of the credit card debt?</p> <p>(iii) What is the accumulated value of the credit card limit?</p> <p>(iv) What is the average value of the credit card limit?</p> <p>(v) What is the accumulated value of the credit card monthly repayments?</p> <p>(vi) What is the average value of the credit card monthly repayments?</p> <p>(e) What deferral options are available for credit card customers that you have identified as impacted by the COVID-19 pandemic?</p> <p>(i) If none, do you intend on doing so?</p>
Answer:	<p>(a) Greater Bank has a comprehensive program in place to assist our customers should they face hardship.</p> <p>In normal circumstances, we proactively use account data to identify credit card customers who may be experiencing financial difficulties. Where customers exceed their credit limit or miss a repayment, we dedicate resources to contacting these customers and working with them on a solution.</p> <p>During the unprecedented situation of COVID-19, Greater Bank recognised early that many of our customers were likely to be impacted by the pandemic in some way. Accordingly, on 1 April 2020 we extended a COVID-19 Relief Package (Relief Package) to <u>all</u> of our credit card customers.</p> <p>The Relief Package consists of two components:</p> <ul style="list-style-type: none"> • A repayment pause: customers are not required to make any repayments on their credit cards for 6 statement periods (i.e. six months from 1 April to (and including) 30 September 2020) (Relief Period).

- Interest waiver: customers will not be charged any interest on existing balances or new transactions for the duration of the Relief Period.

Our customers can continue to use their credit cards during the Relief Period up to existing credit limits.

While our customers are not charged interest or required to make repayments during the Relief Period, we have encouraged customers to make repayments if they are able to. For example, we have included the following warning in credit card statements:

“We encourage customers to create an appropriate repayment plan, if possible, during the repayment deferral period above. If you elect not to make repayments during this period you will pay more interest when interest charges resume from 1 October 2020 and it may take you longer to pay off the balance.”

- (b) Prior to our announcement of our full Relief Package for credit card customers, 50 customers requested deferrals of repayments due to the COVID-19 pandemic.

We extended our credit card Relief Package to all our personal and business credit card customers on 1 April 2020.

- (c) Greater Bank has taken the view that all of our credit card customer base is, or potentially may be, impacted by the COVID-19 pandemic to some extent. Consequently, we provided the Relief Package automatically to all of our personal and business credit card customers. This amounts to 13,310 credit card accounts.

- (d) All of the figures below are as at 31 May 2020:

- (i) Total \$22.6 million.
- (ii) Approx. \$1,700.
- (iii) \$67.03 million.
- (iv) Approx. \$5,036.
- (v) Approx. \$678,400 per month*.
- (vi) Approx. \$51 per month*.

* Calculated on the basis of our standard minimum monthly payment requirements, which are 3% of the outstanding balance or \$10 (whichever is higher), unless the balance is less than \$10. If the balance is less than \$10, then the full statement balance is payable.

Our standard variable interest rate for personal credit card customers is currently 11.95% per annum (for both purchases and cash advances).

- (e) As noted above, all credit card customers have automatically been provided with the Relief Package. At any time before or after the end of the 6 month Relief Period, customers can contact us to discuss the need for further hardship assistance, which we will deal with on a case-by-case basis. Prior to the conclusion of the Relief Period, we will be communicating with our customers the opportunity to seek further assistance.

- (i) Not applicable.