

Australia and New Zealand Banking Group Limited

**Response to Questions in Writing following 5 October 2016 House of
Representatives Economics Committee Hearing**

Question asked by

Mr Kelly

Question

If so, at what sum does the bank believe that late payment fees on credit cards become unlawful penalties? Is that sum \$40, \$50, \$75, \$100, \$200 or another amount?

Answer

Whether any particular late payment fee amounts to a penalty is a matter for the Courts to decide if and when an appropriate case arises. A fee may be a penalty if it is extravagant and unconscionable in comparison with the interest sought to be protected.

The Courts have found that late payment fees charged by ANZ on its consumer credit cards, which were \$35 prior to December 2009, and since then \$20, are not penalties.

The Courts have also found that ANZ's consumer credit card late payment fees are not unconscionable, unfair or unjust under consumer statute.