***Data released by APRA shows a steady increase in the value of debt consolidation loans, indicating more and more people are trying to consolidate debt and, in particular, credit debt. This appears to confirm reports that credit cards are becoming one of the most common causes of personal bankruptcy. Is it your bank's practice to have customer credit cards cancelled or limits significantly reduced when taking out a debt consolidation loan to pay off credit cards?***

The consolidation of credit card debt into an amortised loan product provides customers with a defined payment schedule, a potentially lower interest rate and regular payment amounts. This can be advantageous for many customers.

When customers request consolidation of credit card debt into a Commonwealth Bank loan, it would be common for a staff member to have a conversation about products that might suit the customer's needs. They could then provide the customer with options such as retaining the existing credit card, changing the type of credit card offered, cancelling it or reducing the spending limit.

In assessing a customer's ability to repay and service the loan, a customer's existing credit limits and debt commitments are taken into account.