

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

#### CBA

**CBA13QON:** Dr LEIGH: If you were to go onto the TransferWise website, they would tell you not the formula but the cost. The difference between the way in which they relate to their customers and the way you relate, as I understand it, is that you would say, 'Here's our flat fee, and here's the formula through which we calculate the exchange rate spread,' but you'd leave it up to the customer to do the maths, while they would say, 'If you want to transfer \$1,000 across, it's going to cost you \$27 to do the transaction.' That seems the appropriate level of transparency to provide in this instance.

Mr Comyn: Certainly, in some of the ways that we serve customers, it's clear what the exchange rate is and what the fee is. I'm happy to take it on notice to go and have a look at that.

**Answer:** CBA offers a range of foreign currency conversion services to consumers and small businesses in branch, NetBank and through the CommBank app. The retail foreign exchange services supplied by CBA include:

- Foreign cash;
- Travel money card;
- Credit and debit card;
- International Money Transfer; and a
- Foreign Currency Account.

As part of our offering, we provide tools and resources to support customers to better understand the fees and charges applicable when using our products and services. These include:

- Product information, FAQs and T&Cs are available on the CommBank website or in branches (where applicable), which set out the rates and fees that may apply when using specific products.
- A foreign exchange calculator on the CommBank website, which assists users to convert an amount of one currency to another using the applicable rate for a specific foreign exchange service.
- Latest retail exchange rates applicable per currency are available on the CommBank website.

Following the ACCC's report into Foreign Currency Conversion Services, we are helping to improve transparency in this market by:

- Publishing disclosures on the CommBank website that the retail exchange rate includes a margin (where applicable).
- Updating the resources available to customers in online channels (such as the existing foreign exchange calculator) to include applicable CBA fees for foreign currency conversion services, such as Foreign Cash and International Money Transfers (IMTs).
- Making available an estimate of the correspondent bank processing fees that may be deducted by other banks from an IMT sent by CBA.
- Expanding a service giving customers the option to pay an upfront IMT correspondent bank fee rather than have the correspondent bank processing fees deducted by the other banks from the IMT.