

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

#### CBA

**CBA40QW:** 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, The Age, 24 April 2020). Therefore, can you please advise:

(a) What processes do you have in place to identify credit card customers who have been impacted by the COVID-19 pandemic?

(b) How many credit card customers have requested deferrals of repayments related to the COVID-19 pandemic?

(c) How many credit card customers have you identified as impacted by the COVID 19 pandemic?

(d) For those credit card customers that you have identified as impacted by the COVID-19 pandemic:

(i) What is the accumulated value of the credit card debt?

(ii) What is the average value of the credit card debt?

(iii) What is the accumulated value of the credit card limit?

(iv) What is the average value of the credit card limit?

(v) What is the accumulated value of the credit card monthly repayments?

(vi) What is the average value of the credit card monthly repayments?

(e) What deferral options are available for credit card customers that you have identified as impacted by the COVID-19 pandemic?

(i) If none, do you intend on doing so?

**Answer:** (a) Customers have been able to submit a request for support in relation to their credit card through our hardship form available online via NetBank, and select 'coronavirus' as the reason for their request.

A conversation with a frontline staff member, including our Financial Assistance team, could also identify that a credit card customer has been impacted by the pandemic.

(b) ~12,000

(c) ~18,000 which includes the 12,000 customers at (b) plus a further 6,000 customers who have received a reduced interest rate of 9 per cent p.a. (without a deferral) or other hardship solutions.

(d) For those credit card customers identified as impacted by the COVID-19 pandemic (approximate figures based on date of solution approval):

(i) \$217 million

(ii) \$12,000

(iii) \$256 million

(iv) \$14,000

(v) \$4.4 million (minimum monthly repayment)

(vi) \$242 (minimum monthly repayment).

(e) The following deferral options have been available for our credit card customers:

- A two month payment deferral with a reduced interest rate of 9 percent p.a. and a spend block placed on their credit card account;
- Up to a three month deferral option with no interest rate discount.

In order to help alleviate the initial impacts of the COVID-19 pandemic, we also automatically refunded \$9.2 million in credit card interest and late fees for the month of March on around 150,000 accounts.

(i) Not applicable.