

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

Commonwealth Bank of Australia

CBA49QON: CHAIR: What measures have the CBA taken for people who've had challenges with credit card debt as a consequence of loss of employment or reduced income throughout the COVID-19 pandemic?

Mr Comyn: A combination of measures from repayment deferrals, but far fewer in number on repayment deferrals for credit cards because they're a very different style of product. Of course, it's a revolving debt facility. A much larger number of customers were in what we would consider to be general hardship, which includes repayment deferrals but also includes a broader range of different outcomes as well.

CHAIR: But, in terms of actual measures you've taken, if somebody has come to the bank and said, 'I have a problem with credit card debt because I have lost my job,' or, 'I have gone from being employed on this salary now to JobKeeper,' have there been clear pathways available to people? What volume of people have come to the bank and raised those issues and have had assistance provided either to move into a different product to manage their debt or to freeze the debt, which is, for instance, what happened in the case of Westpac—they provided pathways for doing so?

Mr Comyn: A combination of things. Particularly during the period of March, April and May, we took steps for customers who hadn't made their minimum repayment. We didn't charge them any interest in the future period. We made sure they weren't penalised for that. In terms of the context of customers who would be on repayment deferrals or who had been on repayment deferrals, that number would be in the thousands. For customers who had gone into financial hardship support, which includes deferrals and a range of other options that you're alluding to, that number would be in the tens of thousands. I couldn't give you the specific number, but I'd be able to.

CHAIR: Could you get us the specific numbers on notice?

Mr Comyn: Sure.

Answer: The Commonwealth Bank has provided support to over 27,000 credit card accounts in response to the COVID-19 pandemic. We implemented support measures that aligned with customers'

circumstances, and these included two to three month deferrals, reduced interest rates and spend blocks on credit card accounts.

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.