

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

Credit Union Australia (CUA)

CUA01QW: 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) *What processes do you have in place to identify credit card customers who have been impacted by the COVID-19 pandemic?*

A member will raise a request for assistance (via our Financial Assistance web page, phone call, in branch, or via our iM CUA Personal Banker messaging app). In addition, when making outbound calls to members who have missed payments on any credit cards, we assess if the member can't make payments due to the COVID-19 conditions and commence the Financial Assistance process.

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

As at 10 June 2020, 98 CUA members have requested deferrals of credit card payments.

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

As at 10 June 2020, 122 CUA members have been identified as potentially impacted by COVID-19. The additional 24 members had not deferred their credit card repayments but were supported with other forms of financial assistance (refer to response to question (e)).

- (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?*
[commercial-in-confidence]

(ii) *What is the average value of the credit card debt?*
[commercial-in-confidence]

(iii) *What is the accumulated value of the credit card limit?*
[commercial-in-confidence]

(iv) *What is the average value of the credit card limit?*
[commercial-in-confidence]

(v) *What is the accumulated value of the credit card monthly repayments?*
[commercial-in-confidence]

(vi) *What is the average value of the credit card monthly repayments?*
[commercial-in-confidence]

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

CUA offers options for paused repayments, reduced repayments, no interest (interest is waived/reversed), standard monthly repayments, or interest-only repayments. A combination of all or some of these relief measures will be agreed with the member, based on their individual circumstances.