

SUBMISSION 45

From: Maria Rigoni
Sent: Monday, 15 September 2008 2:09 AM
To: Committee, Economics (REPS)
Subject: Direct entries - switching banks

Hello Committee

I have been engaged in the financial services sector for over 35 years and have the following comments to make in relation to the transfer of direct credits and debits on the occasion of changing “switching” bank accounts from one provider to another.

A consumer of a bank account or credit card does not need to have a portable account number in the same way as a mobile telephone number – they do not usually put their bank account number on a business card or a letter head or a website. A mobile telephone number is a contact tool and changing that number usually affects many more contacts than what most people have in direct entries attached to a bank account or credit card account.

A long time ago in banking there was a form called an F198. It was a redirection advice for direct entries. My memory is being tested here however I remember the form being used when a direct entry rejected – the form was completed and sent to the new bank (if known) for the new BSB and account number to be recorded on it and then it was forwarded to the user for processing.

In this modern technological world the old banker could electronically record the new BSB and account number for automatic redirection of the direct entry transactions to the new banker and advise the user simply - electronically without the need to change the whole BSB system which acts as a Bank State Branch identifier first then identifies the account holders.

If a customer instructs a stop payment (cancel authority) a file change is input and the entry is returned to the user.

The client would only need to authorise the outgoing banker to redirect all current direct entry transactions on their accounts to the new banker and provide the new BSB and account details. This could be done by the account holder themselves directly or it could be made part of the new banker account opening procedures.

Debit cards are a different matter as they identify the customer as an individual and BSB and account number details are attached to that card.

Please feel free to contact me if you wish to discuss.

Maria Rigoni