

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

20 – 21 October 2010

Question: SBT 178

Topic: Data on bank rates and market share

Senator Bushby asked:

Senator BUSHBY—As I said before, they do not seem to be listening that much. You said earlier that one of the major banks had undercut the others in fees. Has that bank appreciably increased its market share as a result?

Mr Murphy—Yes.

Senator BUSHBY—On what basis do you say that?

Mr Murphy—Based on data.

Senator BUSHBY—What data?

Mr Murphy—Based on information that has been provided to us.

Senator BUSHBY—Is it publicly available data?

Mr Murphy—I think it is, yes.

Senator BUSHBY—Do you have it, or a reference, available today?

Mr Murphy—No, but I could—

Senator BUSHBY—Could you take that on notice?

Mr Murphy—If it is public information, I could get it for you.

Senator BUSHBY—Would you please find that for me and make it available to the committee? We would appreciate it.

Answer:

On 29 July 2009 the National Australia Bank (NAB) announced that it would abolish all overdrawn account fees on personal transaction and savings accounts. On 15 October 2009 NAB announced that it would: abolish the \$25 over-limit fee on all credit cards; reduce credit card late payment fees from \$30 to \$5; and abolish monthly account service fees on NAB's most popular everyday personal transaction accounts: Classic and e-Banking (previously \$4 and \$5 per month respectively).

According to APRA's Monthly Banking Statistics NAB's share of bank deposits has increased by 247 basis points since July 2009, to 16.46 per cent as of 31 October 2010. APRA's Monthly Banking Statistics are available publicly at: <http://www.apra.gov.au/Statistics/Monthly-Banking-Statistics.cfm>