

John Curtis

1. Since the law states that a bank or other financial institution is allowed only to recover any cost to it caused by a customer's account default, on any type of account; all penalty fees and charges for:-

1. Exceeding credit limits & overdrafts
2. Overdrawing
3. Dishonoured periodic payments and direct debits
4. Credit Card or Loan late payments
5. Dishonoured Cheques or deposited cheques

should be prohibited, and banks'/financial institutions' terms and conditions booklets/letters of offer/contracts amended to reflect this, and the other changes suggested below.

2. I suggest that for Credit Card accounts the only compulsory fees or charges should be an annual fee and extra card fee, not to exceed \$75 and \$25 respectively, index linked, and a replacement statement fee, not to exceed \$15, index linked. Interest rates for both cash advances and purchases should be the same, not to exceed RBA cash rate plus 7%, and reduced whenever the RBA rate decreases. A small fee of \$1.50 or 0.5%, whichever is the greater, should be allowed for cash advances. Other fees and charges should be voluntary for opt-in additional products or services.

3. For mortgages, fees and charges as outlined in original contract, if increases are mentioned in the contract, to be permitted to increase by no more than cpi.

4. No credit account of any sort, be it mortgage, personal loan, business loan, credit card or other, should have anything in its contract or letter of offer indicating that any fees or charges can be increased by a rate above cpi, or new fees or charges imposed. Nor should there be anything in any contract in which interest rate is variable, to say that the rate increase can be greater at any time than the RBA cash rate increase.