

Peter Golding

Dear Sir/Madam,

I left the ANZ Bank in 2004 after many years and I can advise the committee that many bank fees, particularly penalty fees, are manifestly punitive and are little more than revenue raisers.

Dishonour fees on direct debits are a good example. Banks charge \$35-\$50 when a direct debit overdraws an account. Any competent officer could process a dishonour in ten minutes which translates to \$200-\$300 per hour on the current fee scale. You only need to hit a key on the in-house computer system to generate a letter telling the customer his/her account is overdrawn and most "casual" overdrafts are quickly corrected. They are usually an oversight on the customers part.

Penalty fees on late credit card payments are another rort. Customers are already being hit for six with the interest rates they are paying on their outstanding balance and again, most late payments are corrected by customers in early course.

This is not to say that banks should not be able to recover their costs of any follow up action required to collect monies owing. They should also retain the right to levy fees on serial offenders who think that they should be able to simply overdraw their accounts and/or repay their debts at their convenience.

In short, bank fees should reflect the cost of conducting transactions with a small profit margin tacked on. This is not presently the case.

I would urge the committee and the parliament to take whatever action it can to haul the banks into line.

Yours faithfully,

Peter Golding