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From: Gary Potts [REDACTED]
Sent: Tuesday, 9 May 2023 5:58 PM
To: Financial Services Competition
Subject: Submission on Bank Inquiry

[REDACTED] [REDACTED]

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I wish to make a short submission on what I believe is an anti competitive practice of the CBA that affects customers like myself.

The CBA issues what they call Travel cards which enable overseas travellers to have available a card with foreign currencies eg \$US or Euros to use for everyday overseas transactions. The restriction that the CBA applies is that funds can only be transferred into these cards from an everyday CBA transaction account (Access account in their description). This means that the customer is compelled to accept the exchange rates applied by the CBA which are less favourable by a margin than can be obtained with specialist foreign exchange firms.

The CBA allows customers to open foreign currency accounts but these can only be used to make transfers to bank accounts overseas. They cannot be used to transfer foreign currency funds directly to Travel cards.

In the absence of this restriction it would be possible to transfer, say, Euros, purchased from a foreign currency firm to the CBA Euro account and then transfer the funds to the travel card.

The financial cost of the current restriction is significant. CBA exchange rates are up to 5% less favourable than offered by foreign currency firms. That's \$500 in an overseas holiday spend of \$10000.

In my view, with just four banks dominating the local banking system it is imperative that a special effort be made to identify anti competitive practices, however small, and take steps to eliminate them. The subject of this submission is one example where the CBA is using its dominant market position to require customers to accept uncompetitive exchange rates if they wish to use their product. The simple step of allowing funds to be transferred from foreign currency accounts would correct this problem.

Yours sincerely
Gary Potts

Sent from my iPhone