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**From:** Michelle Jakubauskas [REDACTED]  
**Sent:** Wednesday, 22 December 2021 10:35 AM  
**To:** Black, Susie; Ransom, Hannah  
**Cc:** Fiona Landis; Staltari, Danielle  
**Subject:** FW: Authorisation number: AA1000441 – Reporting conditions [SEC=OFFICIAL]

Hi Susie,

Please find a copy of the updated code report and associated letter with the following amendments:

- Numbers changed with [REDACTED] revised figures in cells D7, D8 & D9
- Anonymisation of [REDACTED] bank account types in cell C-K30
- Inclusion of additional paragraph for [REDACTED] in O-W24-26
- Alterations to the letter to reflect the updated data

I hope you and your team have a relaxing break over the holiday period.

Kind regards,

Michelle

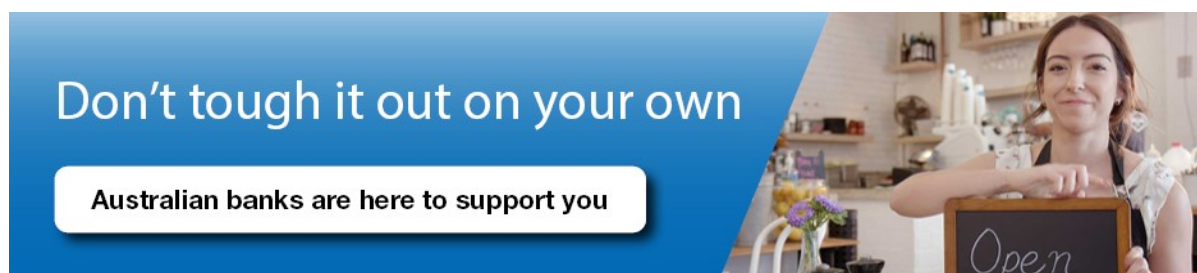
Michelle Jakubauskas  
Director, Research and Data Management



PO Box H218, Australia Square NSW 1215

M: [REDACTED]

E: [REDACTED] W: [ausbanking.org.au](http://ausbanking.org.au)



Australian Banking Association Limited. ABN 60 117 262 978.



The ABA acknowledges that our office sits on the traditional land of the Gadigal people of the Eora nation and that our member banks and their services are located across many traditional lands of Aboriginal and Torres Strait Islander peoples. We pay our respect to all first nation peoples and thank them for their custodianship of our country over thousands of years.

Michelle Jakubauskas  
Director, Research and Data Management



# Australian Banking Association

22 December 2021

Susie Black  
Director, Merger & Authorisation Review Division  
Australian Competition and Consumer Commission

By email [Susie.black@accc.gov.au](mailto:Susie.black@accc.gov.au) cc. [Hannah.ransom@accc.gov.au](mailto:Hannah.ransom@accc.gov.au)

Dear Susie

[Application for authorisation lodged by the Australian Banking Association in respect of certain amendments to the 2019 Banking Code](#)  
Authorisation number: AA1000441 – Reporting conditions

We refer to the ACCC's Determination of 21 November 2019, and to the Variation to that Determination of 3 December 2020.

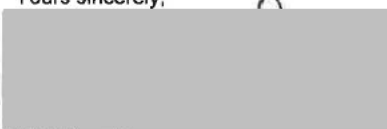
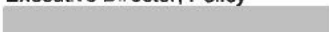
Please find [attached](#) a file containing the data in relation to the reporting conditions which required a response by 31 October 2021 – for the reference period 1 September 2020 to 31 August 2021.

A short summary of the data is as follows.

- Consistent with the variation to the reporting conditions, subsets of member banks reported on some of the questions. The subset formed by category A member banks reported that together they have more than 570,000 basic bank accounts held by eligible customers under section 47 of ABA's banking code.
  - This is reflective of the broader position under which many Australians on income support and other government assistance are able to access bank accounts which have no fees, including no overdraft fees.
  - In line with the condition in the Determination (5.8(c)) Banks undertook a range of actions to identify and contact existing customers who are, or may be, eligible for a basic account pursuant to the definition in paragraph 47 of the Banking Code and who do not already hold such accounts.
  - Just under 70,000 of these accounts were opened in the 12 months from September 1, 2020 to August 31, 2021.
- While some of these accounts were overdrawn (in circumstances where it was impossible or reasonably impractical to prevent the overdraft occurring) in the 12 months to September 2021, customers were, consistent with the Code reforms, not charged fees.
  - The overall average for banks was for 5.6% of basic bank accounts to go into overdraft an average of 2.94 times from September 1, 2020 to August 31, 2021.
  - The bank with largest proportion of accounts that were overdrawn had 19% of accounts go into overdraft an average of 1.24 times during the same period.
- All but one member bank continued to offer a basic account during the reference period. The one bank that ceased to offer such accounts did so only for the technical reason that the relevant product's lack of an eftpos debit card offering, on a strict interpretation, took it outside the definition of 'basic bank account' in the Code.

If you require any further information in relation to the above request, we would be happy to discuss.

Yours sincerely,

  
Fiona Landis  
Executive Director, Policy  


	Category A banks									Category B banks						Uncategorised banks				
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	1	2	3	4	5
Whether bank commenced, continued or ceased to offer basic bank accounts between September 1, 2020 and August 31, 2021	Continued	Continued	Continued	Continued	Continued	Continued	Continued	Continued	Continued	Continued	Continued	Continued	Ceased	Continued	Continued	Continued	Continued	Continued	Continued	Continued
Number of basic bank accounts provided to customers under section 47 of the ABA's Banking Code	787	437,807	72,362	5,896	4,333	30,434	2,768	229	15,850									18,792		
Number of basic bank accounts opened by customers under section 47 of the ABA's Banking Code between September 1, 2020 and August 31, 2021	644	23,116	8,610	1,241	2,720	32,163	1,930	8	10,010									7,754		
Proportion of accounts that opened between September 1, 2020 and August 31, 2021 relative to number of accounts	81.8%	5.3%	11.9%	21.0%	62.8%	105.7%	69.7%	3.5%	63.2%									41.3%		
Number of basic bank accounts under section 47 of the ABA's Banking Code that were overdrawn between September 1, 2020 and August 31, 2021	11	52,456	13,668	74	305	3,017	0	0	1,024											
Proportion of accounts that were overdrawn relative to number of accounts	1.4%	12.0%	18.9%	1.3%	7.0%	9.9%	0.0%	0.0%	6.5%											
Number of times overdrawn accounts were overdrawn	2.00	4.67	1.24	3.00	1.00	3.56	0.00	0.00	11.00											

**Actions taken between September 1 and August 31 to make existing eligible customers aware of their potential eligibility and the special features of accounts provided under paragraph 47.**

	Category A banks	Uncategorised banks
<b>Category A bank 1</b>	<p>The following statement is included in bank statements when issued to existing customers "Our new ( bank) Access Account. We have launched a bank Access Account – Basic Features, available to eligible customers who hold one of the following Commonwealth government concession cards: Commonwealth Seniors Health Card, Health Care Card, or Pensioner Concession Card."</p> <p>The following statement is included on the bank Website "If you hold any one any of the following Commonwealth government concession cards: Commonwealth Seniors Health Card, Health Care Card, or Pensioner Concession Card you may be eligible for the (bank) Access Account – Basic Features, described below. To learn more about these features or to have them applied to your existing (bank) Access Account please contact us by telephone. New eligible customers can apply for the (bank) Access Account with Basic Features online or by using our paper application form." This statement directs existing customer to contact us to learn more about the account.</p> <p>Where a customer has completed a paper deposit application, ticked 'Yes' to being a government card holder and has selected 'No' to opening a Basic Bank Account. An outbound call is made to the customer to let them know they're eligible for some basic features on (bank) Access Account and state what the features are (no dishonour fees charged if we honour a transaction on the account, we won't allow the account to be overdrawn, however, in some cases we cannot prevent it, if overdrawing does occur, interest will not be charged on the overdrawn amount). If the customer confirms they wish to open the basic bank account, then we will proceed with opening this account provided all the relevant information is provided to us to open the deposit account.</p>	<p>Basic Bank Accounts are promoted on our website product page as well as at the time of customer on-boarding and in our FAQs.</p> <p>For our Non-Basic Bank Account customers, an email is sent to them if the monthly fee is charged and they may be eligible for a Basic Bank Account. SMS and letter versions are sent if the customer does not have an email.</p> <p>Customer service staff discuss the option of a Basic Bank Account with potentially eligible customers at the time of inquiring about suitable products.</p>
<b>Category A bank 2</b>	<p>(Bank) has in place a range of strategies to help identify eligible customers and inform them of the availability of basic accounts. During an application for most retail deposit accounts (whether at a branch, via the contact centre or online), (bank) requests certain information that would enable it to identify customers who may be eligible for these accounts, for example whether the customer receives a Commonwealth pension or allowance or holds a concession or health care card. If a customer's response discloses that they may be eligible for a basic account, (bank) processes seek to provide information about those accounts to them.</p> <p>(Bank) recognises that an account holder's circumstances may change. They may not have been eligible for the above accounts at account origination but may thereafter. This is especially the case in this current environment where the COVID-19 pandemic has seen many adverse outcomes for customers. In addition, an eligible customer may have opened an account before the basic accounts had been launched, or prior to modifications being made to those accounts.</p> <p>To address these scenarios, (bank) has implemented an outreach program and suitability campaign. The suitability campaign identifies customers who may be eligible for the basic accounts and the outreach program encourages them to migrate onto these products, if suitable. We identify eligible customers in a variety of ways, including for example, by monitoring transaction accounts for government benefit payments, and through customer conversations. (Bank) provides bankers with product training, which includes training on how to conduct needs-based conversations with customers and to promote the benefits of (bank) different accounts, including basic accounts, to eligible customers.</p> <p>In addition to the suitability campaign and outreach program, (bank) promotes basic accounts in a number of ways, including for example, through product information pages on (bank) website.</p>	<p>(Bank) basic account is advertised on the bank's website. This is an account with Concession features.</p> <p>In addition, the basic account functionality and eligibility triggers (government cardholder, in receipt of government benefit or pension, customer calls to discuss an account keeping fee, overdraft fee, or dishonour/potential dishonour) have been included in relevant branch and call centre training and procedures to ensure frontline staff know how to identify and offer the product to eligible customers, in customer-initiated contact.</p> <p>Work is underway to identify and contact customers receiving government benefits to communicate the basic account features to them. For example, our data analytics team is working to identify customers receiving pension payments. We may then contact them via an internet banking message inviting them to contact us to discuss their eligibility for our basic account. We are currently reviewing our call centre capacity prior to running this campaign.</p> <p>In FY21, (bank) removed Dishonour and Honour fees from all transaction and savings accounts, the majority of which are low/no fee accounts.</p>
<b>Category A bank 3</b>	<p>The bank identified eligible customers based on regular receipt of an appropriate government pension payment. A sample of the total eligible customers were contacted by telephone and approximately 50 per cent of customers contacted were converted to a basic bank account. The bank will continue contacting eligible customers via a range of methods (eg. letter, phone call, email).</p>	<p>(Bank) subsidiary currently offers only one transaction account. This account has the special features listed in paragraph 44B of the BCOP, but only offers single scheme visa debit cards. At on boarding, customers are sent a 'welcome to VMA' email inviting them to contact us at any time and advise whether they hold any of the government cards listed under paragraph 44 of BCOP. If so, they are offered to option to stop informal overdrafts on the account.</p>
<b>Category A bank 5</b>	<p>We completed data analysis of customers who were in receipt of a Government payment which made them eligible for one of the concession cards required for the Basic Account. From our customer base, we identified approximately 27,000 customers in the category.</p> <p>We developed a communications plans to proactively advise these customers that they may be eligible for the Basic Account, the features and benefits of the Basic Account and what they needed to do to either open up a new Basic Account or product switch to a Basic Account from their existing transaction account.</p>	<p>(Bank) identified account holders who receive a government payment and may benefit from converting their current transaction account to the (bank) Basic Bank Account. Consideration was also given to account features such as if their current transaction account paid interest, if the account had previously been overdrawn and if there were other features the customer uses on their existing account that may no longer be available if they converted, for example home loan offset capability or cheque book access. In the financial year ending 30 June, 2021 (bank) focussed on simplifying our deposit product features and removed multiple fees across ALL deposit accounts including all Account Keeping Fees and Payment Honour and Dishonour fees. These changes further aligned the banks broader Personal Deposit Account suite to the Basic Bank Account. These fee changes were also taken into consideration when identifying customers to contact regarding their eligibility for a basic bank account. Approximately 10k customers were sent a letter to provide information about the Everyday Essentials account and to advise they were eligible to convert to the Basic Bank account if they choose to do so. Customers could call the Contact</p>

	<p>In March, we issued eDM's to 7,882 of these customers who had opted into electronic communications. The remaining 19,230 customers had the same content applied to their end of financial year statement. A copy of this communication is attached.</p> <p>Off the back of the March eDMs, we saw a 150% increase in Basic Accounts being opened from the month prior (213 accounts in February compared to 326 in March). The customer response from the communications within the end of financial year statements was slightly lower, with an increase of 138% in new Basic Accounts being opened from the month prior (217 accounts in June compared to 300 in July).</p>
Category A bank 6	<p>A compliance campaign (relating to the special features of accounts provided under paragraph 47) was delivered in November 2020 to 19,309 existing (bank) offsale transaction account holders.</p> <p>A compliance campaign (relating to the special features of accounts provided under paragraph 47) was delivered from June 2021 - August 2021 to 688,420 existing (bank) Classic Banking and the bank's Retirement account holders.</p>
Category A bank 7	<p>(Bank) Online Savings High Interest Savings Account (HISA) is (bank) low fee / no fee offering to all clients as it meets the special features (no informal overdraft, dishonour fees and overdrawn fees) compliant with paragraph 47. These features apply to all customers, irrespective of whether they are eligible customers or not.</p> <p>For new eligible customers, the HISA application form provides help text to customers to increase their awareness of the special features of the product such as no fees, as well as encouraging them to speak to their linked account provider regarding their eligibility for a basic or low/no fee account.</p> <p>For existing eligible customers, (bank) have information available on its website as well as contained in the Target Market Determination, also accessible to customers via (bank) website</p> <p>(Bank) addressed a letter to the BCCC on 9 July 2020 on the interpretation of Chapter 16 of the Banking Code of Practice (Code) and the approach taken by (bank) for the low fee / no fee offering. The BCCC confirmed that they had no immediate concerns or questions with (bank) interpretation of Chapter 16.</p>
Category A bank 8	Information is available on (bank) website and staff is aware of the product available.
Category A bank 9	<p>(Bank) identifies eligibility of customers for basic bank accounts through data fields that capture the customer's eligibility for government benefits (i.e. Commonwealth, Healthcare or Pensioner benefits). Accounts where any of these government benefit categories are flagged as "YES" will trigger an automatic eligibility for a basic bank account.</p> <p>Instead of focusing on a specific action to make existing customers aware of their potential eligibility for the special features (bank) has focused on reducing fees for all is Everyday Transaction Account (ETA) customers - The overdrawn account fee, and direct entry / cheque dishonour fees are being removed from standard ETA account enabling all customers automatically benefit.</p> <p>(Bank) made the decision to remove overdrawn account keeping fees in April-20, and to remove dishonour fees in December-20. Due to a significant upgrade in (bank) core banking systems these fees have not been removed yet, but are on track to be removed 2nd Half 2021.</p>

	Centre or go into a Branch for the conversion to take place."
Uncategorised bank 4	<p>During the reference period, (bank) has undertaken activities through the channels detailed in our response to make customers aware of the Basic Bank Account (BBA), and how to apply for a BBA should the customer be eligible and consider the BBA suitable for their needs. This includes: i. Descriptive information contained on existing bank account statements for transaction accounts for personal use (Statement Information) ii. Message communication that appears in customer's online or mobile banking profile (Messaging in Online Banking) iii. Communication by email or direct mail (Emails and Mail) iv. Customer profile flags visible to bankers to ensure customers who may be eligible for BBAs are made aware of the product as part of servicing existing customers, and for new customers or new transaction account applications system prompts to bankers to make customers aware of BBAs (Banker Customer Conversations and staff-assisted channels), and v. Information on our relevant product and services pages on applicable brand websites (Website) These activities were undertaken separately for (bank) and our Regional Retail Brands, which is reflective of Brand differences. As such, and unless otherwise mentioned below, our Regional Retail Brand activities commenced after the current reference period and will be captured in the return for the reference period from 1 September 2021 to 31 August 2022. Though, design and implementation of these activities occurred during the current period. We expect to undertake these activities for all Brands on a recurring basis, and note that the same customer may receive this information via multiple channels, particularly if they are a customer of multiple Brands. Statement Information From January 2021, (bank) has added BBA information to the bank statements issued to all (bank) Brand consumer deposit account customers. We have also delivered statement messaging about BBAs to 1,500,000 Regional Retail Brand customers from November 2020. The information contained within the statement outlines the BBA features and eligibility requirements. Customers are also provided with instructions on how to apply for or obtain further information on BBAs. Messaging in Online Banking the bank has also sent messaging to customers about BBAs in online and mobile banking. In June 2021, (bank) communicated to over 177,000 potentially eligible (bank) consumer account customers making them aware of their potential eligibility and the features of BBAs. Emails in June 2021, we sent emails to approximately 191,000 of (bank) customers who appeared potentially eligible for a BBA, to outline the features of the account and provide instructions as to how to access further information. Mail Letters were also sent to approximately 45,000 (bank) customers during the relevant period who appeared potentially eligible for BBAs. Banker Customer Conversations and staff-assisted channels For our brand, we activated flags on selected customers' profiles in June 2021 in internal banking systems to assist bankers to identify existing customers' potential eligibility for a BBA. These profile flags prompt bankers to have a needs-based conversation with the customer about their potential BBA eligibility and were deployed to approximately 251,000 customer profiles. Throughout the reference period, for all new applications for transaction accounts across our (bank) brands through our staff-assisted channels, bankers are prompted via our systems to check whether customers are eligible for a BBA. Website Our public websites contain information about our BBAs. Customers continue to be prompted with messaging about the Brand's available BBAs when they apply for everyday banking accounts online.</p>
Uncategorised bank 5	<p>During the reference period,(bank) has delivered proactive customer communications to 1,898,120 existing customers who, from our data, appear to be eligible for our basic bank account. Customers were sent either an email, bank message or letter, which provided information about the basic bank account features, eligibility requirements and how the customer could open or switch to our basic banking products. For all customers, new or existing, who would like to open or switch to a transaction account, a mandatory compliance question is presented to the customer in both assisted and digital self-service channels asking if they hold an eligible Government concession card. If a customer acknowledges that they do hold an eligible concession card, we proactively provide the customer with further detailed information about our basic bank accounts to enable customer choice at the point of account selection.</p>