

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (FOURTH REPORT)

National Australia Bank (NAB)

NAB03QON: Hansard, p13

Mr EVANS: One last question, then; I think I've run out of time. What are your current customer-switching rates?

Mr Thorburn: It depends on the product. I don't have them to hand. I can take that on notice.

Mr EVANS: I'm happy for you to take them on notice.

Mr Thorburn: Do you mean customers that we're winning and losing?

Mr EVANS: Correct.

Answer:

NAB does not report on 'switching' rates across major product lines. However, we do have data relating to the rates of movement between product types to and from other banks. Average rates for FY18 across major product lines were:

- For **home lending**, the average rate of customers who refinanced their mortgage from other institutions to NAB was c15%.
- For **SME loans** (defined as business and home lending in our Business & Private Banking division), the average rate was approximately 6% of loans refinanced to or from other institutions.
- For **consumer credit cards**, the accounts opened by customers as a proportion of average total open accounts was 6.3%, while the accounts closed by customers as a proportion of average total open accounts was 7.0%.
- For **consumer transaction accounts**, the accounts opened by customers as a ratio to total book size was 7% while the accounts closed by customers as a ratio to total book size was 3%.
- For **business transaction accounts**, the accounts opened by customers as a ratio to total book size was 14% and the accounts closed by customers as a ratio to total book size was 7%.

Note the definition of account opens and account closures for NAB's card products:

- *Account closures only include customers who after closing their product, held no other accounts of the same product at NAB.*
- *Account opens only include customers who did not have that product at NAB in the month prior to open.*