

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS (FOURTH REPORT)**

National Australia Bank (NAB)

NAB16QW:

Henry contacted the National Debt Helpline in September 2018 as he was struggling with his debts following a relationship breakdown. Henry says he was debt-free in 2011, but since then had entered into a debt spiral. He says the only asset he owns is a car worth around \$20,000.

Henry has three personal loans with ANZ, NAB and CBA. As at 7 September 2018, Henry owed NAB over \$11,000. Henry also owed ANZ over \$25,000 as at 13 April 2018, and owed CBA over \$9,000 as at 16 September 2018. Henry is paying 16.9% interest per annum on his CBA loan. The interest rates for the NAB and ANZ loans are not listed on the loan statements we have been provided. Henry told us that he is one month behind in payments to all three lenders.

Henry also has three credit cards with CBA, HSBC and ANZ, on which we owes around \$17,000. Henry also says he owes around \$3,400 to OpenPay, a buy now pay later provider. Henry says he contacted MyBudget for assistance with his debts, and they suggested he enter a Part IX Debt Agreement. However, when he looked into the documents Henry says he realised there were more fees than MyBudget told him about. He decided not to go ahead with the Debt Agreement.

Henry says despite missing his last month's payment, he received a letter from NAB in mid-September with 'a special offer on our personal loan – just to say thanks' inviting him to apply for another personal loan. The letter says NAB has 'noticed that you're tracking well with your current NAB Personal Loan repayments – which is great. It also means you could be in a good position to take out a new one, if you need some extra cash for those little extras.'

Henry says he has also received a call from ANZ 'out of the blue' offering him a car loan. Henry's dispute is ongoing, and we have requested documents from the relevant lenders.

- a. Henry has indicated that he is behind in repayments. If this is correct, what hardship assistance has NAB offered to him?
- b. What assessments were undertaken to determine the suitability of the NAB personal loan for Henry?
- c. In light of the concerns outlined in the Royal Commission's Interim Report, does NAB consider its unsolicited personal loan offers are still appropriate? If so, why?
- d. Does NAB consider it appropriate to send unsolicited loan offers to people who are struggling with debt? If so, why?

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Answer:

Due to privacy restrictions, we are unable to provide details relating to this particular customer. If a written authority to act on behalf of the customer is provided, we would be pleased to provide further information.

Specifically on the questions raised:

- a. NAB contacts customers to offer assistance as soon as we determine that this may be required.
- b. All customers who apply for a personal loan must satisfy NAB's credit assessment, and responsible lending requirements.
- c. NAB believes it is appropriate to send personal loan offers to customers. NAB only sends such offers to customers where consent is held for them to receive marketing offers. NAB undertakes a full credit assessment for any customer who applies for a personal loan offer.
- d. NAB does not consider it appropriate to send unsolicited offers to people who are struggling with debt. NAB continues to review how we select customers for personal loan offers.