

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Australia and New Zealand Banking Group Limited

ANZ50QW: Interest on credit cards

Does your method of charging interest on credit cards align with Method A, Method B or Method C outlined on pages 82 and 83 of the Khoury Report on the Code of Banking Practice?

Answer: The methods set out in the Khoury report do not represent the method used by ANZ.

As set out in our response to ANZ48QW, interest is accrued on the daily closing balance and charged to the account at end of the statement period if the customer has not retained their interest free period.

In order to retain the interest free period, customers need to pay the full closing balance shown on the statement by the due date. This is a 'hurdle' requirement for interest free days to apply. Payment of part of the balance does not qualify the customer for the interest free period.

ANZ offers a minimum of 44 days interest free on our consumer credit card products. ~50% of our customers maximise the interest free period by repaying their balance in full each month and are not charged interest.