

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Commonwealth Bank of Australia

CBA12QON: 32

*Mr EVANS: On the topic of competition, firstly, in your recent correspondence to this committee you confirmed your commitment to facilitating customer switching. What are your current customer switching rates approximately? I am after a number.*

*Mr Comyn: I would not have the exact numbers off the top of my head. There are various mechanisms by which customers switch banks. One of the recommendations that we have put forward is to improve the process that came in a few years ago—*

*Mr EVANS: I guess I am after a bit of benchmark, for the moment; it does not need to be an exact number. Six per cent? Five per cent?*

*Mr Comyn: I believe a number of five per cent is probably appropriate across the industry. I would need to take the question on notice for that specifically.*

**Answer:**

During the 2015 financial year, the proportion of retail customers who closed all of their retail accounts with us was 4.8 per cent.

A recent survey by the Boston Consulting Group of 25 international retail banking companies, using the same benchmark measure over the same financial year, found that among the four major Australian banks the median switch rate was 5.0 per cent. Internationally, the median switch rate in the same study was 4.9 per cent.