

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Westpac

Westpac57QW: How is interest charged on your credit card products where part payment of the outstanding balance is made by the due date?

Answer: When only partial or no payment of the closing statement balance is made by the due date, the interest waiver period applicable on Opening Balance and new purchases is withdrawn, as a result interest will be charged based on the daily percentage rate applicable from the start of the current statement cycle with interest being calculated daily in addition to any new transactions made after the first statement from the transaction date.

When a partial payment is made by the due date, the interest calculated is on the outstanding balance less the payment made from the payment date (based on the payment being allocated to transactions attracting highest interest rate to the lowest interest rate).

For example:

Date	Description	Amount
1 Jan	Purchase A	\$50
25 Jan	Purchase B	\$50
30 Jan	Closing statement balance	\$100
1 Feb	1 st Statement issued	
15 Feb	Statement due date (for 30 Jan closing balance)	
15 Feb	Card payment	\$50
1 Mar	2 nd Statement issued with interest charged daily based on: <ul style="list-style-type: none"> - \$100 from 1st Feb-14th Feb (14 days) - \$50 from 15th Feb-28th Feb (14 days) 	
The interest will be calculated daily from 1 st Feb based on \$100 plus any new transactions made, interest will be		

charged from the purchase transaction date

From the 15th Feb, the outstanding balance is reduced for the payment made and interest charged will be based on the new outstanding balance