

**House of Representatives Standing Committee on Economics  
Review of the Four Major Banks (Third Report)  
National Australia Bank (NAB)**

**NAB24QW:** In respect of the AMEX cards issue which saw NAB customers unable to use their American Express cards in September this year, what caused this problem?

- a. None of the other major banks incurred this issue, could it have been avoided?
- b. When did NAB first become aware of this issue?
- c. Did you know it would affect other customers?
- d. Were customers with affected cards notified by the bank and when?
- e. What fixes did you put in place for these customers?
- f. How long until services were restored?

**Answer**

**In respect of the AMEX cards issue which saw NAB customers unable to use their American Express cards in September this year, what caused this problem?**

NAB is in the process of migrating customers from MasterCard to Visa as part of our long term partnership with Visa. As part of NAB's customer centric approach, NAB sought to implement a new piece of technology for customers with a companion American Express card, to allow them to retain their existing American Express card while their MasterCard card was migrated to a Visa card. An unexpected system failure unfortunately meant that the migration of the companion American Express cards for this small number of customers did not occur.

**a) None of the other major banks incurred this issue, could it have been avoided?**

This was a proprietary piece of technology designed to enhance a customer experience for NAB specifically as part of our migration of customers from MasterCard to Visa. The migration process was extensively tested before being used for customers; the process had run successfully for many months. The system failure was due to a fault in the bank's computer database software supplied by an external technology provider, and had not been experienced previously.

**b) When did NAB first become aware of this issue?**

NAB first became aware of the issue on the morning of 17 June 2017, immediately after the system failure.

**c) Did you know it would affect other customers?**

No other customers were affected. The system failure affected a small number of customers with a companion American Express card.

**d) Were customers with affected cards notified by the bank and when?**

Yes. NAB began to notify customers as soon as the issue was discovered.

**e) What fixes did you put in place for these customers?**

New companion American Express cards, linked to the customers' new Visa facilities, were issued to relevant customers.

**f) How long until services were restored?**

New companion American Express cards, linked to the customers' new Visa facilities, were issued to relevant customers as quickly as possible; however customers may have been inconvenienced while this process was underway. Customers were still able to use their credit card account via their new Visa card or existing MasterCard, and through Internet Banking and their mobile banking app.